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FBIS-LAT-89-017 *27 January 1989*

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Salvadoran Minister on 13-14 Feb Summit Date

PA2601224489 San Salvador Canal Doce Television in Spanish 1900 GMT 26 Jan 89

[Unattributed report on news conference held by Salvadoran Foreign Affairs Minister Ricardo Acevedo Peralta; place and date not given—recorded]

[Text] [Salvadoran Foreign Affairs Minister Ricardo] Acevedo Peralta has said that, so far, President Duarte's call for the Central American summit to take place in the 2d half of February has not been rejected by any of the region's heads of state. He clearly stated that the Salvadoran Government has prepared a proposal for political verification and regional economic integration that will be submitted to the other presidents at the summit.

According to the Acevedo, the scheduled date of the meeting continues to be 13 and 14 February, barring any unforeseen circumstances.

[Begin Acevedo recording] There is political willingness on the part of all governments to accept President Duarte's proposal. You must remember that El Salvador is the site of the meeting and President Duarte is the host. Therefore, I think his latest proposal—to hold the meeting in the 2d half of February, or in the latter part of the 1st half of the month—is what will be submitted on 1 February in Caracas. I think the summit meeting—and I say it without fear of contradiction—will have to be held between 13 and 15 February. [end recording]

Acevedo also reported that the meeting of deputy foreign ministers has been scheduled for 8 and 9 February, and the meeting of foreign ministers is scheduled to take place on 11 and 12 February in Managua, at which time the agenda for the presidential summit will be prepared.

On a different matter, Foreign Affairs Minister Acevedo Peralta interpreted the U.S. vice president's forthcoming visit to El Salvador as a sign of support for President Duarte's government and for the upcoming elections, which provide an alternative to political extremism.

[Begin Acevedo recording] As I have just said, it is a politically significant visit that shows a very special concern for the Salvadoran political program, which has always received the backing and support of the U.S. Government. I believe the U.S. vice president will hold important meetings with members of the political parties, and especially with President Duarte, to find out the status of the development of the democratic process and the prospects for democracy in El Salvador. What is important is the concern expressed by the United States. It is an honor to welcome Vice President Quayle on his first official visit outside the United States. I think we will have to talk very frankly with Vice President Quayle, inasmuch as the Salvadoran democratic process needs all of the United States' economic and political support to continue functioning in the same way that President Duarte has been running it; namely, in the center of the road, which is the only hope of saving ourselves from the two extremes that threaten to destroy democracy, freedom, and peace in our country. [end recording]

During the same news conference, Acevedo Peralta discussed his visit to Bolivia from 22 to 24 January.

Amazon Area Foreign Ministers To Meet 6-8 Mar

PA2501011489 Quito EL COMERCIO in Spanish 18 Jan 89 p a-2

[Summary] The foreign ministers of Bolivia, Brazil, Colombia, Ecuador, Guyana, Peru, Suriname, and Venezuela will meet in Quito from 6 to 8 March 1989. These countries signed the Amazonian Cooperation Treaty, and the foreign ministers will meet to establish and promote policies to protect the region's ecology.

Taiwanese Free Zones in Panama, Costa Rica

PA2701000889 Panama City Circuito RPC Television in Spanish 2300 GMT 26 Jan 89

[Text] Taking advantage of the Caribbean Basin Initiative implemented by the United States in 1983, the Republic of China has decided to establish two free zones in Latin America, one in Panama and another in Costa Rica. The two free zones, which will reportedly not affect the Colon Free Zone, will be used to manufacture export products.

The Republic of China's Council for Planning and Economic Development chose Costa Rica and Panama because of the availablity of manual labor, especially in Panama, where unemployment has reached sky-high levels.

Andean Group Reports 1989 Foreign Reserves

PY2701030189 Madrid EFE in Spanish 0106 GMT 27 Jan 89

[All figures as received]

[Summary] Lima, 26 Jan (EFE)—As 1989 begins, the foreign reserves of the Andean Group—Colombia, Ecuador, Peru, Bolivia, and Venezuela—stand at $10,090,000,000. This amount, broken down by country, represents the sum of $139 million for Bolivia; $3,794,000,000 for Colombia; $6,595,000,000 for Venezuela; less than $176 million for Ecuador; and less than $262 million for Peru.

Cuba

Guyanese President Desmond Hoyte Arrives

FL2601164289 [Editorial Report] Havana Radio Rebelde Network in Spanish at 1615 GMT on 26 January carries live coverage of the ceremony held at the Jose Marti International Airport to receive Guyanese President Hugh Desmond Hoyte.

At the begining of the ceremony, the Cuban national anthem is heard. This is followed by the Guyanese national anthem.

After the anthems are played, the announcer says that Hoyte is in Cuba at the invitation of Cuban President Fidel Castro. The announcer then says that Colonel Guerrero Ramos, chief of the ceremony unit, is preparing to receive both presidents, although there is no mention of Cuban President Fidel Castro being present.

The 10-minute report ends at 1625 GMT.

Welcomed by Castro

FL2601194889 Havana Tele-Rebelde Network in Spanish 1800 GMT 26 Jan 89

[Text] Commander in Chief Fidel Castro, president of the Councils of State and Ministers of Cuba, this morning welcomed Hugh Desmond Hoyte, president of the Cooperative Republic of Guyana. The Guyanese leader is visiting Cuba at the invitation of our commander in chief. [video shows Hoyte and the delegation accompanying him stepping down from a Cubana airliner, Fidel Castro embracing Hoyte, and the welcoming ceremony]

The Guyanese president, accompanied by the supreme Cuban leader, greeted the diplomatic corps accredited in our country and Cuban officials at the Havana air terminal. He later received a warm welcome from representatives of the Havana population who were gathered on the airport's tarmac and a group of Guyanese youths who study in Cuba.

The Guyanese delegation begins today an official and friendly visit to our island. It is composed of Mrs (Joyce Hoyte), wife of the president; Rashleigh Jackson, foreign minister; and Jeffrey Thomas, head of the Regional Legal Affairs Office [titular del derecho regional]. Members of the Parliament and other representatives of the Guyanese state are also in the delegation.

President Desmond Hoyte and the delegation he heads will remain in our country until 30 January. During its stay in Cuba, the distinguished Guyanese delegation will fulfill an extensive program of activities, including tours to important economic and social projects in the capital and other provinces.

Hoyte Honors Jose Marti

FL2601230689 Havana Radio Reloj Network in Spanish 2232 GMT 26 Jan 89

[Text] Hugh Desmond Hoyte, executive president of the Cooperative Republic of Guyana, placed a flower wreath this afternoon at the foot of the monument to our national hero, Jose Marti, which is located in Revolution Square.

During the brief and solemn ceremony, the Guyanese leader was accompanied by Dr Carlos Rafael Rodriguez, member of the PCC Central Committee Politburo and vice president of the Councils of State and Ministers. When President Hoyte and his official delegation arrived at the monument, the band played the national anthems of Cuba and Guyana, and the FAR ceremonial units rendered the [word indistinct] honors.

Afterward, the leader of the Caribbean country and his entourage left for the PCC Central Committee to begin high-level official talks.

Visit of 'Particular Importance'

FL2601191489 Havana Radio Rebelde Network in Spanish 1800 GMT 26 Jan 89

[Station commentary]

[Text] The visit to Cuba which Guyanese President Hugh Desmond Hoyte began today is of particular importance. This is how our people see it, because it is the first official contact at the highest level that has taken place between the two nations since ex-President Forbes Burnham's death.

Guyana was one of the first countries to break the agreements imposed on the region by Washington to isolate Cuba. Our people remember this with gratitude, not just because of the action itself, but also because Guyana forms part of the great Latin American and Caribbean family that we should form and consolidate; this is aside from political systems, languages, or ideology.

As Fidel has said recently, the social system of every country in the region is not incumbent upon Cuba, but everything that unites us is incumbent. [sentence as heard] We are united by an interest in peace and respect for the life for our people to decide what kind of world we are going to live in and what kind of peace we will have in the future, said Fidel. It is not a time to look at our differences but to affirm our similarities. Latin America and the Caribbean do not have a future without unity and integration.

President Hoyte's visit, besides strengthening bilateral ties, seems to be inspired by the spirit of cohesion. The Guyanese leader himself said that he will exchange points of view with Fidel on matters important to the

hemisphere, the world, and peace. He could not be more explicit when he classified the coordination of a united front by the underdeveloped countries as the only way to save the continent.

SWAPO's Nujoma Cited on Tour of Provinces

Congratulates FAR Troops

FL2501032689 Havana Television Service in Spanish 0100 GMT 25 Jan 89

[Text] Sam Nujoma is currently touring various areas of interest in our country.

Sam Nujoma, president of Namibia's SWAPO [South-West African People's Organization], today visited Las Tunas Province. During his visit to Las Tunas, Sam Nujoma visited the Pepito Tey Teacher School, which is attended by Namibian students. At the school he was shown folklore examples of the brother African country. The SWAPO president later met with 224 Namibian students from provinces all the way from Ciego de Avila to Guantanamo.

[Begin Nujoma recording in English with simultaneous Spanish translation] I would like express my greetings and congratulations to the Cuban Revolutionary Armed Forces for the invaluable contribution they have made towards the liberation of my country. [Word indistinct] them with the combined forces of FAPLA [People's Armed Forces for the Liberation of Angola], the Angolan National Army who heroically fought to defeat the South African invading troops in Cuito Cuanavale, Calueque, and Chipa in defense of the territorial integrity of the People's Republic of Angola. [end recording]

Comments on Resolution 435

FL2701024789 Havana Television Service in Spanish 0100 GMT 27 Jan 89

[Text] Sam Nujoma, president of the South-West African People's Organization, SWAPO, has visited the Rene Fraga Moreno Teaching School in Matanzas. During the dialogue he held with Namibian students who are attending the school, the African leader urged them to contribute to the development of the new fatherland once they graduate, and to pass on to the future Namibian generations the revolutionary training acquired in Cuba.

Nujoma was received with folkloric dances and songs, slogans of support for SWAPO, and cheers for internationalism. At that time he also emphasized the importance of not reducing the number of the UN military group in charge of guaranteeing the application of Resolution 435 for the independence of Namibia.

Angel Berriel, member of the Executive Bureau of the PCC Provincial Committee, on behalf of all Matanzas residents, gave Sam Nujoma a painting with the [word indistinct] of our Commander in Chief Fidel Castro on it. [passage omitted with indistinct portion]

Angolan Official's Remarks on Accord Reported

FL2501230489 Havana Radio Reloj Network in Spanish 2056 GMT 25 Jan 89

[Text] Angolan political leader (Pablo Miguel Junior) has said in Budapest that his country and Cuba will continue fulfilling the tripartite agreements to achieve Namibia's independence and attain peace in southwestern Africa.

(Junior), member of the MPLA [Popular Movement for the Liberation of Angola]-Labor Party Central Committee and secretary for the economic, social, and production fields, is heading a delegation from his country that is visiting Hungary to exchange experiences with the Hungarian Socialist Workers Party.

In statements to the press, the Angolan politician emphasized that the signing of the agreements constituted a joint victory for his people and Cuba in the same way that Cuito Cuanavale was a victory. The fact that 3,000 Cuban combatants have already left Angola shows the great attention and will by both governments to solve the conflict in the area. However, it must be emphasized that those troops are not withdrawing, but are returning victoriously, he said.

Defector Reportedly Reveals Ties to Terrorism

FL2601155989 Hilversum International Service in English 1030 GMT 26 Jan 89

[Text] A Cuban diplomat has supplied information to the authorities in the United States on ties maintained between Cuba and terrorist groups in the Middle East. The diplomat defected to the United States in October of last year. It's understood in well-informed circles in Washington that the diplomat in question, a 35-year-old (Hector Agulina Celebegas), was posted to the Syrian capital, Damascus, and the Iranian capital, Tehran. He has apparently declared that he was in charge of supplying arms to Palestinian guerrilla groups and to left-wing resistance movements in Chile, El Salvador, and Guatemala.

Bush Proposal on Government Ethics Noted

FL2601125889 Havana Radio Progreso Network in Spanish 1200 GMT 26 Jan 89

[Text] U.S. President George Bush has designated a commission to prepare a draft law on government ethics. The law will establish guidelines for the conduct of high-level U.S. officials.

During the Reagan administration, more than a hundred members of his government resigned from their posts because of illicit activities.

Human Rights Activists Reportedly Arrested

PA2601133089 Madrid EFE in Spanish 1642 GMT 25 Jan 89

[Text] Havana, 25 Jan (EFE)—Two members of the illegal Cuban "Pro-Human Rights" political group were arrested and assorted documents belonging to the organization were confiscated after the police searched a house in Havana, according to Samuel Martinez Lara, the group's secretary general.

Martinez Lara said Manuel Gonzalez Gonzalez and his wife, Lidia Gonzalez Garcia, who lived in the house, were arrested on Monday. Their house was the group's meeting place and contained files with assorted documents and a collection of Cuban and foreign periodicals.

The secretary general's allegations have not yet been officially confirmed.

According to a communique issued today by the human rights group, those arrested have been accused of possessing clandestine publications. They have been accused of possessing a bulletin entitled "Franqueza," which contains assorted accusations against Cuban authorities.

Comments by UN Human Rights Official Reported

FL2501233989 Havana Radio Reloj Network in Spanish 2058 GMT 25 Jan 89

[Text] The director of the UN Human Rights Center denied today that the Cuban representation is exerting pressure on the organization so that it would declare itself in favor of our country.

On 30 [January] the UN Human Rights Committee, with headquarters in Geneva, will announce the results of the reports made by the experts who visited our country last year at the invitation of the Cuban Government. The director of the center, (John Materson), said that the UN group's recent visit to Cuba is a first, great experience, because it visited a country which, on its own initiative, opened its door for a human rights investigation.

The high-ranking UN commission official said that the organization will make a (?statement) this year regarding the situation in the Arab territories occupied by Israel and the situations in Chile, El Salvador, and Guatemala.

Lawyers Group Head on Human Rights Situation

FL2501204289 Havana Tele-Rebelde Network in Spanish 1800 GMT 25 Jan 89

[Text] Dr Amar Bentouni, president of the International Association of Democratic Lawyers [IADL], granted a news conference this morning.

[Begin Bentouni recording in French with simultaneous Spanish translation; Bentouni identified by caption] We do not receive complaints on the human rights situation in Cuba. However, we do receive many complaints on various countries of the region, including the United States and Puerto Rico. We know that the economic and social rights situation in Cuba is positive despite the economic problems you have. [end recording]

Culture Minister Leaves Moscow for Rome

FL2501140389 Havana Tele-Rebelde Network in Spanish 1200 GMT 25 Jan 89

[Text] Cuban Culture Minister Armando Hart Davalos left for Rome today after having participated in the 130th meeting of the Executive Committee of the Coucil for Mutual Economic Assistance, CEMA, which was held in Moscow.

Hart's 25-28 January visit to Rome includes among other activities the unveiling of the monument to Cuban national hero Jose Marti in Rome.

Hart had an extensive and busy work schedule which began with his report to the CEMA on behalf of the ministers of culture of the socialist countries. This complies with the decision that was made in Havana during the 14th meeting of those officials.

Before leaving Moscow, Hart stressed the importance Cuba gives to Soviet leader Mikhail Gorbachev's visit to our country. In the same way, he noted the great closeness [gran identificacion] between Cuban and Soviet policies. The minister stated that the Cuban people and authorities want to give Gorbachev a great reception when he visits.

Commercial Exchange With USSR Studied

FL2601143889 Havana Tele-Rebelde Network in Spanish 1200 GMT 26 Jan 89

[Text] A study of Cuban-Soviet commercial exchange has taken place in Moscow. In a meeting between Antonio Esquivel, vice president of the Council of Ministers, and Aleksandr Kachanov, acting minister of foreign economic relations, they also studied the plans for the supplies to be received by Cuba during 1989.

They also examined the progress of some of Cuba's economic objectives that are being carried out with Soviet aid. Some of the objectives include modernizing the soap industry and the supplies going to Santiago de Cuba's (Celia Sanchez Mandulei) textile combine.

Commentary Lauds Soviet, GDR Force Reductions

FL2501194289 Havana Radio Reloj Network in Spanish 1523 GMT 25 Jan 89

[Raul Reyes commentary]

[Text] A little over a month ago, Soviet leader Mikhail Gorbachev announced to the world the USSR's unilateral decision to reduce its armed forces. This undoubtedly marked a new era in Soviet-U.S. relations and

showed as never before socialism's will for peace at a time when it is faced with a more and more hostile and warmongering Western world.

On 7 December 1988, in his memorable speech at the 43d UN General Assembly meeting, Gorbachev announced the Soviet Union's determination to reduce the strength of their conventional armed forces by 500,000, to a level high enough to sustain a strictly defensive strategy.

In line with the initiatives presented at the United Nations by Soviet leader Gorbachev, GDR President Erich Honecker announced a few hours ago that his country will take unilateral steps this year toward demilitarization. Among them is the reduction of the GDR National People's Army, in agreement with the Warsaw Treaty command.

This decision reached by the GDR, together with the USSR position, shows that the supreme interest of socialism is man's right to life and the people's right to peace, especially today when, for many, war is a horrible business that has taken the world to the verge of its destruction.

Venezuela's Andres Perez on Castro, Inauguration

FL2501181289 Havana Radio Reloj Network in Spanish 1504 GMT 25 Jan 89

[Text] Social Democrat Carlos Andres Perez, Venezuelan president-elect, has said substantial results should not be expected of the meetings among the rulers who will attend his inauguration on 2 February. The protocol ceremonies will not leave enough time to discuss at length pending matters of considerable interest common to all. In any case, those talks will create an atmosphere of more trust in order to make progress in the future on issues such as the foreign debt, said Carlos Andres Perez.

Although the possible attendance of Commander in Chief Fidel Castro to the transfer of powers ceremony has still not been confirmed, this has created great interest in political and economic circles in the country. Carlos Andres Perez not only defended Fidel's presence but also that of Nicaraguan President Daniel Ortega, saying that there is only one Latin America.

Brazilian Intellectuals Send Congratulations

FL2501132189 Havana Tele-Rebelde Network in Spanish 1200 GMT 25 Jan 89

[Text] The most noted Brazilian intellectuals and artists have written a message in honor of the 30th anniversary of the triumph of the Cuban Revolution. Author Fernando Morais, composer (Chico Guarque), architect (Oscar Niemeller), and historian (Paolo Cabalcantti) are among the people who signed the document that was presented in Brasilia.

In the message, the Brazilian intellectuals stated that Cuba entered the history of humanity 30 years ago by freeing itself from misery and despair and ending the struggle for independence.

FMLN Leader Marks Anniversary of Rebellion

PA2601040789 Havana International Service in Spanish 0000 GMT 25 Jan 89

[Text] Antonio Martinez, a member of the FMLN, has stated in Havana that Latin America's future is being determined in Central America. On Tuesday Martinez participated in a ceremony at the Cuban Movement for the Peace and Sovereignty of Peoples, marking the 8th anniversary of the beginning of the armed struggle in El Salvador.

Martinez added that it can now be affirmed that the plans of former President Ronald Reagan and Salvadoran President Jose Napoleon Duarte to behead the Salvadoran guerrilla movement have been defeated.

Further on Inter-American Jurists Meeting

Right To Strike Debated

FL2501215689 Havana Radio Reloj Network in Spanish 2032 GMT 25 Jan 89

[Excerpt] The discussion on the report entitled "Is The Right To Strike in Cuba Necessary?" included varied and extensive speeches. The report was written by our lawyer (Evalia Bamente) and presented by commission No 3 at the inter-American jurists meeting.

Latin American lawyers answered the question from their perspective. In this regard, a Colombian delegate said that workers have always had the right to strike and that is why, according to him, it should appear in the Cuban Constitution. That argument was refuted by Dr Pedro Jose Barrios, also from Colombia. He said that that method of struggle used by workers in capitalism is not needed in Cuba for workers to demand their rights, because it would only serve as a tool for imperialism on the island. On behalf of the Cuban delegation, a young jurist explained that in our country there are democratic methods to find out about the concerns of workers.

In socialism, striking does not fulfill any objective because workers hold the power; they are the ones who select the enterprises' management and can revoke it whenever it does not carry out its function. That is what was said by Colombian jurist Pedro Jose Barrios, who during the meeting emphasized the accomplishments of workers in Cuba and the active participation of trade unions. In that sense, he added, the great deterioration of peoples' prerogatives in capitalist countries must be explained, especially in Colombia, where workers are massacred.

The Latin American jourists expressed their belief that striking is not necessary in Cuba because man's right to complete freedom exists in the country. [passage omitted]

Justice Minister Cited

FL2601025789 Havana Television Service in Spanish 0100 GMT 26 Jan 89

[Text] Cuban Minister of Justice Juan Escalona has closed the Inter-American Labor Rights and Social Security Meeting which met for 3 days at the Palace of Conventions. Escalona evaluated the exploitation situation of Latin American workers in contrast to the situation of the workers in our country.

A few moments before the meeting ended, the final declaration was read. The declaration showed the unity of opinion among the lawyers of the whole continent on the serious situation which the (?dispossessed) Latin American masses face. Alberto Ruiz, vice president of the American Jurists Association, read the document, in which it is emphasized that the foreign debt is not only immoral and unjust, but that it must be fought by all honest jurists. He also condemned the violation of human rights in Paraguay, Chile, and Guatemala, as well as the interference by the U.S. Government in Nicaragua and El Salvador, which endangers peace in the region.

The meeting's final declaration reaffirms that Cuba is America's most advanced country in the area of social security and where the rights of workers are respected in practice.

[Begin unidentified speaker recording] We, the jurists gathered at this inter-American meeting in Havana, call all the jurists of the continent to unite in the common battle for the high ideals of our peoples, to reinforce the struggle for the unification and integration of our America, to raise as a combat banner everything which unites and heightens man and America—which as a new sort of (?mankind) has loudly said: Enough! And it has moved forward. Furthermore, its giant march forward will not stop until it gains its complete and true independence. [applause] [end recording]

Castro Meets With Delegates

FL2601140589 Havana Tele-Rebelde Network in Spanish 1200 GMT 26 Jan 89

[Text] Commander in Chief Fidel Castro Ruz, president of the Councils of State and Ministers, met last night with the delegates to the Inter-American Meeting on Labor Rights and Social Security. The meeting ended yesterday at the Palace of Conventions.

In a lively talk with them, Fidel classified the meeting as very important for defending the rights of Latin American workers. He also referred to the study presently being done in Cuba to perfect the present labor laws.

[Begin Castro recording] Juanito, you should come here to tell me what you told the lawyers. [crowd laughs] Let's see, I want to know. [Words indistinct] Bring Juanito up here. Put Juanito up here, let's see. [crowd applauds] Well, Juanito, tell me what you told these lawyers here. Didn't he tell you that our labor laws are paternalistic? [crowd answers "sure!"] Did he tell you that we're going to modify it? [crowd answers "Yes"] We're modifying it bit by bit. You know, this can't be done all at once. You have to persuade everyone that our labor laws are paternalistic. What happened? Did a bomb go off? [loud noise is heard in the background] [laughter]

It didn't help the restricting of socialism. It helped the undisciplined ones. We are looking for new ways! For example, I think the discipline the construction contingents have is excellent. Did they talk to you about the construction contingents? [crowd answers "No"] Ah! you're going to be visited by [words indistinct]. [crowd answers "Tomorrow"] Someone is making a lot of senseless noise there. [laughter] Which one are you going to visit? The Blas Roca Contingent. Well, that was the first one. We have thousands of workers there. They establish there own discipline, the collective. They criticize themselves if they are undisciplined or are absent from their jobs a lot. I think it's ideal, right? In some contingents there is someone who does something terrible, but that's a minority. It's an insignificant minority, but they are protected by our labor laws.

In socialism that sort of contradiction presents itself. For example, there are things workers in capitalism have to do because they don't have any other choice. They are being exploited; they are being robbed and they have to defend themselves. Later, these things turn out to be a headache in socialism. [Words indistinct] of socialism, that everyone have a useful job. If socialism can't organize society in a way that everyone does something useful, [words indistinct] to capitalism. [applause] [someone shouts "Socialism or death!"] You say socialism or death; I say that if you're going to be a revolutionary, if you're going to defend a system, you have to optimize that system.

Of course, bad socialism is better than good capitalism. [applause] Generally, good capitalism doesn't exist. There may be an exception; I don't know if maybe in Sweden they have had some degree of redistribution, or if they have beggars or not. I have never been there, I haven't had that privilege yet. I don't think that's the rule, though.

You can see that in Europe, which is super-developed, they have some 30 million unemployed people. People feel humiliated because they are unemployed. One person lives off gambling, the other off selling drugs, one exploits prostitution, the other guy is a parasite, the other one only cruises the Mediterranean in his yacht. It's all the same! There are many people without homes or this and the other. This is why I say that capitalism is more tolerable in the developed world, because they exploit us, the Third World countries. They take everything, they loot us everyday. They have the most wealth, wealth that they obtained by exploiting us! [applause]

I always ask myself something: Who paid Europe's expenditures? Who financed Europe? You Latin Americans, Latin America financed it. It's not because the Gallegos [general term used to refer to Spaniards] or the Spaniards, who are my ancestors, my paisanos... [interrupted by laughter] It's not that our ancestors—in part, they are our ancestors—have... [interrupted by laughter] It looks like I'm stuck in an extra speech. Well, as we were saying...what were we talking about? [laughter] Okay, I'm back on track now. It's not that the Spaniards used the money well. For centuries they dedicated themselves to live off rent. [as heard] The aristocracy—counts, marquis, dukes, a parasitic aristocracy—that took the gold and silver from this hemisphere and spent it... [interrupted by someone shouting something indistinct] Don't think that because I'm respectful toward the church I'm going to deny the historical facts. Around here there is a book on this. The priests also formed part of the system. What I want to say is that there was a big part of the aristocracy that received the gold and silver that wound up in France, England, the Netherlands, and all those countries.

With Latin American gold and silver, they financed capitalist development. That is why today we have developed and underdeveloped countries. [applause] [end recording]

Labor Committee Fines Workers 2 Million Pesos

FL2601141789 Havana Radio Rebelde Network in Spanish 1224 GMT 26 Jan 89

[Text] Leaders, officials, and workers responsible for losses, damages, and insufficiencies had to pay almost 2 million pesos after the State Committee for Labor and Social Security inspected 518 budgeted enterprises and units in the country.

The inspection was conducted last year and included such areas as inventory control. The conclusions from this inspection indicate that violations in excess of 3.4 million pesos occurred. The purpose of the state inspection—the second one conducted by the State Labor Committee—is to determine to what extent Decree-Law No 92 is being applied. This law establishes the material responsibility that leaders, officials, and other workers have in regard to damages to material and financial resources assigned to their centers.

Grenada

Prime Minister Considering Cabinet Reshuffle

FL2501202589 Bridgetown CANA in English 2025 GMT 25 Jan 89

[Text] St Georges, Grenada, Jan 25, CANA—Following his defeat in elections for the leadership of the ruling party, Grenada's prime minister, Herbert Blaize, is considering a cabinet reshuffle, well-placed government sources reported. They said that at a weekly cabinet session Tuesday Blaize hinted that a cabinet reshuffle was in the making.

Blaize was voted out as political leader of the New National Party (NNP) during a convention last weekend. Replacing him was Public Utilities Minister Dr Keith Mitchell.

One official who asked not to be named said that Mitchell could be stripped of most of his portfolios in the four-year old government. He said Blaize indicated that he did not want the reshuffle to look as revenge for his defeat.

Meanwhile, the newly-elected NNP National Executive voted in at the weekend annual convention was scheduled to meet Wednesday.

Prior to Blaize's downfall, the usual meeting place has been at the St George's Botanical Gardens office of the prime minister. But the new executive under Mitchell will be meeting at the NNP's party office, two miles away.

Future of Maurice Bishop Murder Case Outlined

FL2501211889 Bridgetown CANA in English 2047 GMT 25 Jan 89

[Text] St Georges, Grenada, Jan 25, CANA—Newly-elected president of the Grenada Court of Appeal, Sir Federick Smith of Barbados, on Wednesday outlined the court's thinking on the future of the Maurice Biship murder appeal. He said that all three members of the court were in agreement that what should be looked at now is the procedure to be followed for a re-start of the case. The court has been forced into such a position following the death last month of then court President J.O.F. Haynes of Guyana.

The appeal arose from the 1986 trial in which 14 former army and government officials were sentenced to hang for Bishop's 1983 murder and stiff prison sentences were handed down on three others.

Smith and Rex McKay of Guyana were sitting alongside Haynes hearing the appeal. Since then Time Kendall of Antigua and Barbuda has joined the two justices of appeal.

Defense lawyers continue to argue that no mechanism exists in the legislation for Smith to appoint anybody other than the chief justice to join the panel. Among the lawyers addresaing the court on the issue during the sitting were Jamaicans Earl Witter, Maurice Tenn, Velma Linton, and Delano Harrison. The lawyer's main contention is that the legislature should provide mechanism for the president to select justices to sit on the court.

"I hope you can find something in this bone because it is certainly dry right now", Smith told Linton as she rose to address the court on the issue. Smith indicated that as president of the court he did not need legislation to tell him that if he ordered a sitting of the court judges must be selected to sit with him. He spoke of the court holding the view that it is properly constituted. "The only point we should get down to is what procedures we should follow for a re-hearing", he remarked.

Haiti

Cap-Haitien Protests U.S. Coast Guard Moves

FL2501185589 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 24 Jan 89

[Excerpt] The U.S. Coast Guard landed on the Cap-Haitien wharf, where they effected a number of searches over the weekend, particularly on Saturday. This gave rise to much displeasure in Cap-Haitien. According to our information, this incident was drug related.

A U.S. Coast Guard ship with 14 officers, some 40 Marines, and a number of Drug Enforcement Administration agents aboard, (?accompanied by) Haitian officers with dogs trained to look for drugs, appeared at the Cap-Haitien wharf last Saturday. According to the Cap-Haitien police, this landing was for the purpose of searching for cocaine hidden on the boat ("Lovely Annie"). The military had seized 10 kg of cocaine off that boat last 12 January.

This landing gave rise to many protests and ruffled the feathers of a number of people from Cap-Haitien.

We remind listeners that the Coast Guard unit is (?one of) the vessels that keeps an eye out for small Haitian sailboats and other vessels that transport Haitian boat people [preceding two words in English] across the open sea to the United States under an agreement signed by the Duvalier and Reagan administrations in 1983.

Is this a matter of cooperation and solidarity in the struggle against drugs? Or simply of occupation, little by little, of the country—considering that last October, there were a number of U.S. Army helicopters overflying Haitian territory all over the place with the greatest of ease? According to an agreement between the (?U.S.) Government and the Avril government, specialized agencies of the two countries may exchange information on drug traffic. The United States may furnish assistance to the Haitian authorities so that they will have the equipment with which to strengthen the structures within the Haitian police to combat drugs. This agreement clearly spoke of the acquisition of material and equipment!

Later, the Haitian Government, on 18 October 1988, turned over to the agents of the U.S. agency that handles drug matters, the DEA, 3,159 lbs of cocaine and 80 lbs of marijuana. These drugs had been collected during a series of operations conducted by the police over the last few years. These drugs were sent to the United States that same day on a Hercules C-130 U.S. Coast Guard plane.

Twenty-four hours later, the Charlemagne Peralte [National Liberation] Front, which is headed by Dr Gilles Hendrick, the front's secretary general, denounced in a statement this agreement signed by the Haitian and U.S. Governments as being an agreement that compromised our national sovereignty. It demanded that the complete text of the agreement be made public.

As for the other political leaders: Back then, in mid-October, they were very busy entertaining cordial relations with Avril. They are today perhaps again addressing many concerns, this time in connection to the forum on the creation of the agency that is to organize elections, which they have been dreaming about for some time now, ever since Duvalier's departure. [passage omitted]

Further on Arcahaie-Cabaret Drivers Strike

FL2501182889 Port-au-Prince Radio Metropole in French 1700 GMT 23 Jan 89

[Excerpts] There are no public transportation vehicles on National Highway No 1 today, Monday, 23 January. Indeed, at the call of the Arcahaie and Cabaret drivers union, all the drivers of public transportation vehicles using National Highway No 1 are observing a 24-hour work stoppage today to get the government to rebuild the (Bretelle) bridge, which has been unusable since 6 August 1988.

Despite Public Works Minister Paultre's announcement that work on the bridge would begin this week, the call for a strike was maintained, and the strike was observed today.

Nevertheless, our reporter saw teams of technicians at the (Bretelle) bridge, ready to begin repairing the bridge. Marcus?

[Reporter Marcus—live or recorded] Thank you, Ketly. Activity on National Highway No 1 is paralyzed today, particularly between Cabaret and Arcahaie, because of a 24-hour strike called by the Cabaret and Arcahaie drivers union. The very least that can be said is that the strike order is being broadly adhered to, for there was not a single public transportation vehicle on this road this morning.

There was reportedly a barricade of old tires erected by certain area drivers just before the bridge. The military intervened to open up the road.

To everyone's surprise, the work of rebuilding the (Bretelle) bridge began this morning. [passage omitted]

This strike is to end tonight, and area drivers are already threatening to strike again if the work is not continued normally. [passage omitted]

Gonaives Drivers Strike; Toxic Waste Inspected

FL2501183789 Port-au-Prince Radio Metropole in Creole 1400 GMT 23 Jan 89

[Excerpts] As announced, a government team went to the Gonaives area last weekend to take a look at the toxic waste. Here is our correspondent's report:

[(Fegerson Legros)] On Friday, 20 January 1989, a ministerial delegation went to the Gonaives area. They went directly to the Sedren wharf in Gonaives to see with their own eyes how the toxic waste (?had) spread all over the wharf. [passage omitted] They also met with the Gonaives press. In the delegation were Public Health Minister Serge Pintro and Public Works Minister Franck Paultre. [passage omitted]

They said... [interruption in transmission] to gather up the toxic waste and send it back where it came from, but they are going to build a concrete cistern [cuve] and they are going to gather up the waste and put it into this cistern, which they are going to build soon. Minister Paultre said work on the cistern was going to begin next 30 January.

Also, the strike called by the Arcahaie and Cabaret drivers association has been properly observed in Gonaives. None of the vehicles that usually make a run between Gonaives and Port-au-Prince made the run today. They respected the strike, saying: The strike is just and legal, because the rainy season is almost here, and if we do not seek to organize ourselves, our demands will not be satisfied.

This is (Fegerson Legros) from Gonaives for Radio Metropole.

Peasants Group Reiterates Mobilization Call

FL2501194989 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 24 Jan 89

[Excerpts] The ORDP [Organization for the Assembly and Defense of the Peasants] is relaunching the call to mobilize—against the high cost of living, abuse by section chiefs, and taxes—that it first made last December.

The peasants of the ANOP-[National Alliance of People's Organizations] affiliated ORDP have declared that they are not going to just bite and then let go. They are maintaining more staunchly than ever their mobilization against the high cost of living, taxes, and abuses by section chiefs, after seeing that government authorities do not appear willing to give them satisfaction.

The ORDP representatives (?from) Nippes and from the southeast whom we interviewed [not further identified] told us they are giving the government until the end of January to give them an answer.

[Begin first unidentified speaker recording] Now we are giving it a deadline, 30 January. If it does not clearly give us the results we are asking for, we will again rise up in the same way as before, during the first week of February. And this time it might be even worse. We are still asking to have the same three points satisfied: for the government to lower the price of oil, sugar, soap, and everything else; for it to eliminate the marketplace cards—the card required for livestock—as was done in 1974; and finally, for the government to fire and bring to trial all the section chiefs who are abusing us rural peasants—before talking about elections. We do not think that elections for section chiefs are possible at present—not until all those section chiefs who are abusing us are fired and brought to trial. [end recording]

The ORDP-ANOP peasants say that despite the fact that they have been crying out for help since 6 December, they have noticed that the prices of merchandise in the marketplaces continue to rise constantly. They say that they have heard that the government is going to come up with a law fixing the prices of merchandise. They think this is a maneuver aimed at lulling people. The ORDP wants the government to state clearly how much each thing should sell for. [passage omitted]

These peasants say that it is not from them that the government should go around taking money all the time. The government should seek out the bigshots who are making big bucks, big to the point where they send money abroad to be put away for them. They say the government has been taking from the peasants for a long time now, without ever giving them anything in return. Now they have had it! They can't take it any more.

[Begin second unidentified speaker recording] Regarding our production, things are going further downhill every day for us peasants. We used to grow our coffee, cacao, and sisal. This is what we used to live off of. But now we are seeing leechlike countries taking these things from us for a very small sum of money, without giving us anything in exchange for them. That is why we are continuing to ask that they remove all these vile old taxes, (?which don't benefit us in any way), because we just don't have enough money for the government to be able to say that it is from us that the government should obtain money. [end recording]

Regarding the elections for section chiefs that are supposed to be held—as outlined in a government communique—the ORDP-ANOP peasants said that this communique is still not clear in their minds. Before such elections could take place, the Justice Department would have to bring all the section chiefs who are criminals to trial. Also, the section chiefs would have to no longer be under the orders of the Army; instead, they would be under the orders of the Justice Department. Also, the peasants are asking who will appoint (?all the assistants), who are still under the control of the rural police agents in the rural sections? Will all these different assistants also be elected?

[Begin recording] [Third unidentified speaker] There are still abuses being committed in the rural sections throughout Haiti. We think a Justice Department representative should visit all the geographical departments to prosecute in each area where the section chiefs are committing abuses against the peasants. We would like a representative of the Justice Department to quickly give us an explanation of this, and we would like for him to go around bringing to trial... [changes thought] for him to

issue a communique and try all the macoutes in both rural areas and towns—both the section chiefs who commit abuses against the people and the big macoutes like Franck Romain—before they come to talk to us about electing section chiefs.

If this isn't done, if all the macoutes are not tried—such as the section chiefs who repress the people.... [changes thought] If the Haitian authorities (?were to issue, as the general said, a) communique to hold elections for section chiefs, it would (?again) be us peasants (?who get killed), as on 29 November.

[Reporter] Are you not willing, then, to participate in elections for section chiefs?

[Speaker] This business of electing the section chiefs is something we do not understand at all, not at all. And when I say we don't understand it, I really mean that we really do not understand it.

First of all, the decree is not clear to us. To begin with, it is in French, and we are not at all satisfied with the little we do understand in it—or at least what we think we understand it to say. We are not satisfied with it because we don't see what the role of our organizations is going to be in these elections. We have not heard what role the decree says our organizations are supposed to play in those elections.

Second, we hear that they said that as soon as someone is elected, he will be taken over by the Army, that the Army will be responsible for him.

We peasants cannot imagine us peasants going out and choosing a person and voting for him, thus making him section chief, only to have him (?answer to) the Army, deal with the Army. If you are attached to the Army, this means that you will be taking care of the interests of the Army, and not the interests of us peasants—because the Army has many disciplines to which you must adhere, many orders you must follow. Thus, it is not the business of us peasants that you are going to concern yourself with.

Also, we don't need a section chief, a rural police agent, to go sit down with the Army. We need a rural police agent who will sit down in the area, whose ties will be with the Justice Department, as is done in all other countries. In all other countries, the rural police are connected to the Justice Department, and they go and (?live) in the area so as to establish peace in that area, so as to provide the people of the area with security, rather than abusing us.

But as long as after being elected the rural police agents are supposed to go sit down with the Army, the Army is going to (?make demands of them). Thus, we are not in favor of this at all, not at all. [end recording]

These peasants whom we interviewed ask of the pertinent authorities a decree in Creole on this business of elections of section chiefs, so that they can understand this matter better. They invite all who wish to struggle with them and are encountering problems to not be discouraged.

We remind listeners that ORDP launched this campaign of mobilization—against the high cost of living, all the different kinds of taxes the peasants have to pay, and the abuses being committed by section chiefs against peasants—last 6 December, after the commemoration of the Marche a Terre peasant massacre. ORDP has already held several peasants assemblies in various parts of Haiti. A commerce minister fell—during this same period of mobilization—after asking the merchants in a communique to soften their hearts a little and sell things a little cheaper. It was also in connection with this same matter of mobilization that five ANOP members in Port-au-Prince were arrested.

Further on RDC President's News Conference

FL2501202289 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 24 Jan 89

[Excerpts] Yesterday the Christian Democratic Assembly [RDC], through its President Eddy Volel at a news conference held at the headquarters of the CATH [Autonomous Organization of Haitian Workers], called for the resignation of General Prosper Avril. [passage omitted]

The RDC also protested against the government's refusal to change the lives of peasants, despite all the demands that are being made daily. [passage omitted]

Regarding the forum, Eddy Volel sees in it a maneuver aimed at keeping the Avril government in power longer, and he is planning to ask the population to strike on 9 February 1989.

[Begin Volel recording] Mr Avril is always coming up with a new idea, but his ideas are never to the benefit of the people. [passage omitted] The people need Prosper Avril to resign, because the Haitian people are tired of military governments. [end recording]

Also, the RDC said General Prosper Avril would always be able to defend dictatorships, because he himself has been a part of this system since 1957.

PANPRA Comments on Forum, Problems

FL2501202989 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 24 Jan 89

[Text] The PANPRA [Nationalistic and Progressive Revolutionary Party of Haiti] regional coordinating committee for the central plateau feels that it would be a political mistake for the democratic sector to fail to attend the 9 February forum to defend the Constitution of 1987, which is the principal weapon in the struggle

that the Haitian people are waging. The PANPRA regional coordinating committee for the central plateau also says that it has noted with much uneasiness that there are many problems disturbing the central plateau.

The communal committees of 17 January, which were (?involved in) all the crooked wheelings and dealings with the bloodthirsty criminals, are still around and in people's midst—in Mirebalais, Thomassique, Las Cahobas, Cerca La Source, Thomonde, and Maissade, for example.

The courts of conciliations in Saut d'Eau have been shut down ever since the population uprooted [dechouke] the judges. However, these same uprooted judges have turned their residences into tribunals. Is the representative of the Department of the Public Prosecutor in Mirebalais not aware of this situation?

Arbitrary arrests are continuing—such as what happened to the small peasant farmers of Savannette, who were arrested at the orders of Namphy's former miniprojects coordinator.

The problem of the section chiefs still remains, as current as ever. Instead of the change the population has been asking for for such a long time—such as in the third communal section of Thomonde—former criminals are returning. Or else the population is hearing about how there are seminars being held in many places in Haiti, as if (?the people involved could forget old habits).

PANPRA continues: The public administrations are a mess. Appointments are made any old way. Meanwhile, there are arbitrary transfers being made, such as at EDH [Electricite d'Haiti, the national electric company] in Hinche.

In the educational domain, the school in Mirebalais is in the midst of a crisis to which a remedy has as yet not been found. On the other hand, the cost of food is rising out of sight, making people poorer than ever.

PANPRA's regional coordinating committee for the central plateau asks the Avril government to rapidly come up with a solution to all these problems, so that the population of the central plateau can catch a breather.

The committee also reminds the people of the central plateau and the rest of Haiti that only the right form of organization and much political intelligence will lead to progress in their demands.

The committee reiterates the PANPRA national coordinating bureau's call for proper solidarity among the democratic sector with a view to permitting the struggle of the Haitian people to progress along the path of democracy and respect for human rights.

The committee also says that General Avril's government must quickly inform the population as to the conditions under which the forum is going to be held—tell the Haitian people the rules of the game—so that the Haitian people will not be dealt a well-placed blow. It adds that during this forum, the entire Haitian people should remain very vigilant and (?listen carefully to what is going on) so as to not be dealt any harsh blows by the enemies of the cause that the Haitian people are defending.

Jamaica

Manley Views Possibilities in U.S. Relations

FL2501210589 Bridgetown CANA in English 1836 GMT 25 Jan 89

[Text] Kingston, Jamaica, Jan 25, CANA—Michael Manley, who in the 1970's quarrelled bitterly with the United States, said Tuesday he expected good relations with the George Bush administration if his People's National Party [PNP] wins Jamaica's February 9 general election.

Manley's confidence is buoyed by President Bush's remark that Washington's Third World policy would be based on "realism, respect and reciprocity" and signals that the new U.S. Administration wanted to tackle the international debt problem.

At the same time Manley did not expect that a PNP adminstration would follow geo-political lines that would upset Washington.

"No, no," responded Manley when asked by journalists whether with Bush in the White House he would have lower expectations for economic growth and development if he came to power.

Manley said that the issues of drugs, debt and world development were common points of interest between a United States Administration and one in Jamaica, no matter which party was in power.

Already U.S. authorities and the PNP have discussed ways of fighting the problem of drugs, which posed "enormous threats" to both societies, according to Manley. "We have made it clear that we would look to them for every form of modern and technical assistance in the struggle against this hierarchy of crime," the PNP leader told journalists at the launching of his party manifesto.

The PNP, he said, had also told Washington that it had to find ways to ease consumption at home. But it was on the issue of dealing with the Third World debt problem that Manley felt that Kinston and Washington had significant possibilities for finding common ground.

Said he: "I think the Bush administration is going to be searching for intelligent responses within the Third World to how some common formula would be evolved

that would release us of the enormous crippling financial burden...and release huge untapped export potential in an economy like the United States."

The Third World's debt problem circumscribed the capacity to import and thus hurts industrial nations, Manley pointed out. "There is a commonality here if you begin to have administrations that really take the time to deal with it," he said.

Jamaica could play a significant role in using its prestige in the Third World to help find common ground and developing "more practical, coherent and united approaches", said Manley, who also chairs the Economic Commission of Socialists International [SI]. That commission has been working on proposals to ease the debt problem.

Manley said that while the signals had come from the Bush administration and the international banking system knew that something had to be done about the debt problem, "the Third World had not yet got its act together." "There are too many views about what to do, too little unity and sometimes too much rhetoric. In other words the thing is liberate but not numerate," he said.

Jamaica could play a role in nudging Third World countries to a common, practical position, Manley said. "On that ground I think there is much scope for dynamic cooperation between the Bush administration and a PNP administration," he said.

New thinking in U.S. policy making emphasing "great weaknesses" in the Caribbean Basin Initiative [CBI] as the instrument for pushing economic development in the region provided more opportunities for cooperation Manley felt. "I would feel that a PNP administration could work very closely and very cooperatively with a new U.S. Administration to explore more imaginative approaches to development, more imaginative adjustments to the CBI in light of experience...," he added.

Despite Manley's assurances, Prime Minister Edward Seaga, who pulled Jamaica close to Washington in the early 1980's, has been suggesting that relations could not be good with Manley in power and that U.S. aid to the island would dwindle. Seaga has suggested that Manley's past relationship with Cuba would be an irritant.

Under Seaga, aid, which had slowed to a trickle in the 1970's flowed during the 1980's as the Reagan administration supported what was considered Washington's closest ally in the region. But Manley, who has said that he would re-establish diplomatic relations with Havana, but still keep Cuba at arms length, rejected that there would be such geo-political problems.

A Bush administration, Manley said, could only support his commitment to peace, democracy, the relations the PNP had evolved with the private sector, the fight against drugs as well as other policy measures.

Most of the issues on the PNP agenda were "consistent with and probably very attractive to U.S. policy-makers", the PNP leader suggested.

Added Manley: "I don't see what objection the Bush administration would have to our attempt to rebuild Caricom. I think they would support it vigorously.

"I don't see what objection the Bush adminstration would have to our attempting to form a Caribbean stock exchange...

"I don't see what objection they would have to the integration process...which is part our geo-political reality.

"...Since that is our geo-political agenda I anticipate nothing but interested support," he added.

Seaga Labels PNP Manifesto 'Glossy Garbage'

FL2601170289 Bridgetown CANA in English 1656 GMT 26 Jan 89

[Text] Kingston, Jamaica, Jan 26, CANA—The ruling Jamaica Labour Party, considered by authoritative pollsters to have an up-hill battle to retain the government, has described the main opposition party's election manifesto as "glossy garbage."

Prime Minister Edward Seaga, in a campaign speech in eastern Jamaica Wednesday, said the Peoples' National Party [PNP] document had nothing indicating ability to finance programmes, or capacity to plan or manage. In essence, Seaga said, the PNP's manifesto was a "mish-mash of a little over everything" as the PNP tried to be "all things to all men," but provided no concrete direction. The document confirmed that the PNP "does not know where it is going," Seaga said.

Jamaicans will vote in general elections on February 9 and ex-Prime Minister Michael Manley's PNP on Tuesday released its manifesto, which while promising economic growth set no specific targets. The PNP said it could not make fine-tuned proposals because of a lack of credible information put out by the government which it claimed operated largely in secret. However, the PNP said it would produce a five-year plan within the first year of being in office.

Manley promised an open government, including a national body in which public and private sector officials will discuss policy relating to production and more emphasis on education and other social services. Seaga, whose Jamaica Labour Party is seeking an unprecedented third consecutive form, said the electorate was being asked to put "puss in the bag."

"I can readily understand why Manley will find every excuse possible not to enter into a national debate with me, because he has no plan and hopes that the electorate will put him in office at which time he will take the label

off JLP plans and stick on PNP labels, claiming them as his own," Seaga said. Seaga has been calling for a national televised debate with Manley, but the PNP has said that the prime minister has satisfied only one of the pre-conditions, in announcing the election date.

The PNP had critical questions about deals relating to Jamaica's bauxite trade with American commodites trader Mark Rich, failed high-tech farms and the country's foreign debt. It would send Seaga a list of 27 questions Thursday, the party said, claiming the "old" ministeral statements on the bauxite industry sent to Manley this week were woefully insufficient. The government would also have to fulfill the other criteria for the debate by guaranteeing equal time and coverage for the presentation of its programmes and policies on the state-owned Jamaica Broadcasting Corporation (JBC), which runs radio and television services. The PNP claims that JBC bias against it has increased with the intensification of the general elections campaign.

Netherlands Antilles

New Prime Minister Forms Coalition Cabinet

FL2701115889 Bonaire Trans World Radio in English 1130 GMT 27 Jan 89

[Text] In Aruba, the new prime minister, Nelson Oduber, has formed a new cabinet. He has formed a three-party coalition of his MEP [People's Electoral Movement] and the two smaller parties, the ADN [National Democratic Action] and the PPA [Aruban Patriotic Party].

He is assured of the support of 12 of the 21 members of the island parliament. The new government plans to call a popular referendum before 1994 to decide the issue of Aruban independence.

El Salvador

PDC's Chavez Rejects Postponement of Elections

PA2601143089 San Salvador Canal Seis Television in Spanish 0200 GMT 25 Jan 89

[Report by Carlos Armando Rivera—passages within quotation marks recorded]

[Text] Fidel Chavez Mena, presidential candidate of the Christian Democratic Party [PDC], has asserted that there is no reason to postpone the elections until September. He said:

[Chavez Mena] "What is good for September should be good for February and March."

This is the PDC presidential candidate's position on the guerrillas' proposal to postpone the March elections until 15 September. According to the candidate, the main problem with the proposal is the Constitution, which rules out elections after 1 July, when President Jose Napoleon Duarte's term in office will end.

[Chavez Mena] "We see three things in the proposal. First, there is a positive new element. For the first time during, let us say, the last 10 years, the FMLN has agreed to participate in an election. Second, however, we see a constitutional problem, because implementing this proposal would violate the Constitution. Third, we think this is a political proposal that deserves to be taken into account and studied, and our party will do so."

The PDC candidate said the FMLN's proposal does not propose an end to the hostilities, but according to the rebels, the elections can be considered legitimate if they contribute to the search for peace. Chavez Mena said the PDC will discuss the FMLN's proposal, but he added that, deep inside, [words indistinct] the wish to postpone the elections.

[Chavez Mena] "Why, if something is good for September, is it not good for February or March? That is, if 19 March has been set as the date of the elections and if the Constitution clearly states that elections have to be held 2 months before the end of the presidential term—and this involves a constitutional mandate—the elections cannot be postponed."

Without doubt Dr Chavez Mena cannot go beyond the constitutional framework by agreeing to the guerrillas' proposal to postpone the coming elections. However, the Constitution does not provide the political parties with any solutions to end the war.

FMLN Spokesman Reacts to Duarte Rejection

LD2601105989 Madrid Domestic Service in Spanish 0700 GMT 26 Jan 89

[Text] Napoleon Duarte, president of El Salvador, has rejected the proposal from the guerrillas, who accepted the elections if they were postponed for 6 months and held with democratic guarantees. Today a delegation of the Salvadoran insurgents will hold talks in Madrid with representatives of the Spanish Foreign Ministry. The Spanish officials' interlocutor is Miguel Saenz, member of the political and diplomatic commission of the Farabundo Marti National Liberation Front [FMLN] and this is his first reaction, in exclusive statements to RNE [Spanish National Radio], to Napoleon Duarte's rejection of the insurgents' proposal.

[Begin Saenz recording] The only way left is to continue the struggle, and thus we would have to intensify this struggle in the political and military field. Then, unfailingly, if there is no political solution, there will be a social explosion in the country. It is unstoppable. We believe that Spain in particular, as president of the EEC, with the traditional, cultural ties uniting us, can play quite a prominent role. Specifically, we believe that the EEC can intercede with its offices between the parties in conflict in order to contribute to the resolution of the conflict. [end recording]

CD's Ungo Views FMLN Proposal as 'Positive'

PA2601232489 San Salvador Radio Cadena YSU in Spanish 1800 GMT 26 Jan 89

[Report by Milton Grimaldi on statement by Democratic Convergence presidential candidate Dr Guillermo Ungo; date and place not given]

[Text] The Democratic Convergence [CD] today gave its official position on the political proposal recently presented by the FMLN to the various political parties in El Salvador. Ungo said the FMLN proposal is positive because it creates an opening to end our country's current state of war. CD presidential candidate Dr Guillermo Ungo said the CD agrees with the FMLN that elections should be postponed until the date given by the guerrillas, and that there should be a guarantee of participation during the election period. One of the main difficulties presented by the FMLN proposal is that the present government would remain in power after 1 July. Ungo said this is not possible nor constitutional. The CD proposed the appointment of a provisional president as an immediate alternative.

[Begin Ungo recording] It is necessary to appoint a provisional president because the rule that prohibits presidents from running again or prolonging their term should not be violated.

This case is not a violation of the Constitution, but a case of noncompliance due to force majeure or for an important cause, such as peace. There are obvious cases of

force majeure. There are candidates who die before taking office as president. These are cases of force majeure that require new elections, which is not covered by the Constitution.

[Ruben] Zamora referred last night in a television debate with [Culture and Communications Minister Roberto Edmundo] Viera to another possiblity that if there is a true political commitment to take advantage of this opportunity for peace, then none of the candidates should register for the election. If no one registers for the election, then the election has to be postponed.

What we want to show is that all arguments using the Constitution as an excuse are nothing more than pretexts, obstacles, and delay tactics to prevent a peace process in El Salvador. We wonder what the 60,000 mothers of the soldiers and guerrillas who are fighting will say to that constitutional argument? Will it help their children to sleep in peace everyday? Do these mothers agree on that interpretation of the Constitution, which prevents their children from living in peace, security, and tranquillity?

That is why we feel it is truly regrettable that these types of arguments are the ones that will prevail when discussing peace proposals that are just now being dusted off by deputies and Nationalist Republican Alliance leaders. The last thing this peace proposal does is offer an opportunity for true negotiations. A negotiated peace is something that they [not further identified] filed away for more than 6 months at the National Assembly. [end recording]

Finally, Ungo said the CD rejects any FMLN decision to join the Central Election Council if other sectors of the country feel the electoral process would be hindered by this.

Police Defuse Bombs Near Presidential Residence

PA2601231889 Panama City ACAN in Spanish 2122 GMT 26 Jan 89

[Text] Explosives loaded in a small truck, which were going to be fired at the Salvadoran presidential house, were deactivated at noon today, a military source has reported.

Three handmade catapults, each loaded with approximately 7 kg of dynamite, were defused at 1145 (1745 GMT) by national policemen. The catapults were located 200 meters from the Presidency and were to be fired 10 minutes later, Coprefa reported.

According to the guerrillas, the "mobile armed platforms," sort of like medieval catapults, consist of two parts: a fuse and a main charge.

The presidential house is located in the southern part of Sal Salvador adjacent to one of the principal garrisons of El Salvador, the Armed Forces transmission center.

In the past few months, the FMLN has used so-called "mobile armed platforms" against the principal Army garrisons in San Salvador.

The Army described these devices as "terrorist weapons" and labeled them "car bombs."

Honduras

President on Alvarez Martinez Assassination

PA2601225789 Tegucigalpa Voz de Honduras Network in Spanish 1810 GMT 26 Jan 89

[Interview with President Jose Azcona by Julio Armando Valdes in Tegucigalpa on 26 January; broadcast in progress—live or recorded]

[Text] [Azcona]...which has dismayed all Honduran people. The government strongly condemns this kind of action—the murder of [retired] General Gustavo Alvarez Martinez—which was politically motivated and perpetrated by professionals, and which, I believe, deserves the denunciation of all Hondurans.

[Valdes] Mr President, will the three branches of government and the Armed Forces adopt additional security measures?

[Azcona] Yes, we will be discussing that soon. I have a meeting scheduled with the (?National Security Council), which will also be attended by the three presidents of the state branches. I mean, the [words indistinct] will chair the meeting, and National Congress President Carlos Orbin Montoya and Supreme Court President Salomon Jimenez Castro will also attend. We have also invited the candidates of the two [number as heard] parties to this meeting since one of them is going to be the next Honduran president. We plan to establish some guidelines—some rules to be followed—not just for the remainder of our term but in the future as well, because we should be farsighted and not just concentrate on the short term, which has been very common in Honduras, where we look and find solutions only for the present. We should find solutions jointly [words indistinct] in the long run, which includes the issue of violence. We believe in a democracy like ours, which is a very complete democracy. In other words, there are internal elections for selecting candidates, where citizens enjoy full rights, where parties and party leaders consult with the people, where we have true, clean, and honest elections, where we have a National Electoral Commission that is not influenced by nor can it be influenced by the government, and where the state branches are totally independent.

All of these characteristics make Honduras a democracy, and every sector of Honduran society should strive to strengthen them by avoiding violence at all costs, obeying the law, and condemning and attacking extreme

terrorist groups regardless of their affiliation, thus enabling us to consolidate our democracy and reach the level of political development attained by other democratic countries.

It has been demonstrated worldwide that progress and development can only be achieved through democracy. The FRG, the Mediterranean countries—Italy, France, and Spain—are examples of this, and there is the case of Japan, which has a liberal democratic system and has achieved extraordinary levels of development. Taiwan is yet another example. At this stage....

[Valdes, interrupting] Yes, but this takes time.

[Azcona] Yes. At this stage I believe there is sufficient proof that the democratic system is the best means of attaining higher levels of development. There is no doubt in anyone's mind about that, but the fact that we have this system is not enough. Each one of us, each sector, must do his part to make it work.

When I mention sectors, I am referring to private enterprise, which must be generous, exhibit confidence in the country, and show much initiative; to organized labor groups, which must fight for their rights without fomenting strikes and other disorders, which are sometimes brought about illegally instead of following the normal legal procedures; to professional associations, which also have an enormous responsibility, because their members must comply with their duties; and the same goes for government employees and others.

In other words, this will not be accomplished by this or the next government alone. Our governments are transitory and their power is relative. I have said this many times. There is no point in lashing out at the president, because power in Honduras is relative and conditional. What is essential is to contribute positively toward Honduras' development. This should be a responsibility not only of public employees, businessmen, workers, and organized peasants, but all Hondurans should contribute. This is what counts.

[Valdes] Mr President, when will this meeting be held and what immediate measures will you propose?

[Azcona] The appropriate authorities are doing everything possible to investigate the latest crime, which was not an everyday occurrence like a robbery or something of that nature. This crime was carefully planned. It was a terrorist act perpetrated by professionals.

[Valdes] Mr President, some people have been saying that the death penalty might be a way to cope with the situation. What do you think about this?

[Azcona] I recently read something about the death penalty in a Mexican magazine. The death penalty is opposed by a majority of the people and has been abolished in Honduras. I do not think this is the solution here because the death penalty has not solved the crime problem anywhere else in the world. For instance, this penalty exists in many U.S. states, but this has not deterred criminals from committing terrible crimes. People have lost control. When criminals have no respect for their fellow man, not even the death penalty can stop them. However, there are crimes, such as drug trafficking, for which no bail should be permitted. I think a bill that has been proposed by the Supreme Court of Justice should be passed by the Congress. Of course, it will be approved by the President so those found guilty of this crime cannot be bailed out. It is not right for the authorities to arrest a drug trafficker only to see him released on bail by a judge who has no other choice than to abide by the law.

[Valdes] Mr President, the far rightist group AAA [Anticommunist Action Alliance], through a local radio station, warned that they will take revenge on major communist leaders, such as Jorge Arturo Reina, Ramon Custodio, and others. What do you have to say about this?

[Azcona] I am adamantly opposed to this type of revenge because it would only lead to escalated confrontations between groups. I condemn this attitude in view of the regrettable murder of General Gustavo Alvarez Martinez. As far as the death penalty goes, it will not be a solution to the crime problem.

[Valdes] Mr President, civic committees have to be organized in the country.

[Azcona] I agree, but these committees should be controlled by the authorities. A civic committee to protect communities is one thing, but it is quite another thing to use these committees to perform duties that are already the responsibility of state agencies, such as the Armed Forces.

[Valdes] When will the government branches meet?

[Azcona] They will meet when I return from Caracas.

Azcona Speaks on Economy, Social Situation

PA2701034789 Tegucigalpa Voz de Honduras Network in Spanish 1935 GMT 25 Jan 89

[Speech by President Jose Azcona Hoyo to Congress in Tegucigalpa on 25 January; monitored in progress—recorded]

[Text] The economy would negatively affect other important aspects of our national life. This could affect the country's social balance. This social balance is the result of an understanding among the social sectors. To say that making a profit is the only objective of economic freedom is not acceptable in light of a democracy that wishes to be participatory and pluralistic. Economic or business freedom, based on private initiative, can only be accepted if, in addition to helping the private businessman achieve his personal goals, it also plays a social role that will benefit the whole community.

However, we understand the risks and efforts the businessmen involved in production must take and make. There is no doubt that this merits a just reward. For this reason, my government seeks, has sought, and is willing to continue seeking, the most efficient and just financial and economic formulas that will benefit everyone. We want our businessmen to feel sure in what they are doing, and we want to guarantee their productive and creative efforts. This has been, and continues to be, an important aspect of our economic development plan. Therefore, we spare no effort to strengthen dialogue and improve understanding with private enterprise.

Likewise, we understand the problems and needs of the labor and peasant sectors. This is why our social policy is aimed at helping our workers and peasants improve their standards of living and working conditions. We have incorporated many of our government employees into the civil service system; we are appointing a commission to review the minimum wage scale; and we are promoting the agrarian reform process by granting loans and helping in other areas of the agricultural process. All things considered, we are open to the problems expressed by the social organizations, and we are willing to study these problems within a reasonable framework of understanding and fairness.

We must also mention at this time that our country has never had too much of those basic goods and services demanded by the people. Historically, our development has been relative and not diversified. Therefore, a large majority of our people have not been able to satisfy their social needs, to which all men are entitled. This is why it seems that we are living in a state of permanent crisis.

However, it would be a mistake to underestimate the great efforts that have been made, especially in the past few years, to destabilize backwardness and promote progress. Efforts were made and significant progress achieved. We have improved many aspects of our lives and have overcome many problems.

Despite what I have just said, the fiscal deficit and the balance of payments deficit have been, and continue to be, a constant source of concern for my government. We are aware of the fact that the fiscal deficit is a heavy burden on our economy. Much of this deficit is the result of our meeting the social needs of the people, abiding by our commitments with certain sectors, providing the funds requested by the Executive Branch and approved by the Legislative Branch to carry out necessary projects, and paying the debts of decentralized institutions and even private businesses and organizations that have not been able to meet their obligations and pay off loans that the state cosigned. To this we must add the heavy burden of servicing the debt.

My government implemented a fiscal policy aimed at reducing spending and improving our tax collection system. This policy was implemented solely for the purpose of reducing the deficit. Throughout these past few years, we have practiced a policy of real and true austerity.

In 1988 the Executive Branch issued Decree 387-C, ordering all ministers, managers, and directors of all decentralized institutions to reduce spending. This measure saved the public sector 47.3 million lempiras.

As a result of the plan to improve the tax collection system, our revenues increased by 90.6 million lempiras compared to last year.

Regarding the foreign debt, my government's 3 years have been very difficult. There has been a negative flow of money from the international financial organizations to our country. We have paid, to the IMF and World Bank alone, more than $340 million in the past 3 years. We have become net exporters of capital. This represents a very heavy burden for our economy. Each year we must allot more than 30 percent of the value of our exports to cover the service of the debt. This has resulted in a decline in our foreign exchange reserves. In order to guarantee and maintain the stability of our currency, we adopted a series of adjustment measures. My government will continue to strive to prevent a devaluation of the lempira.

We signed an agreement with the World Bank. The first phase of the agreement calls for the World Bank to give our country $50 million in loans. These loans are to be used exclusively for structural adjustments. Our goal is to reverse the negative flow with that bank. We have also carried out negotiations with the IMF. We are hoping to sign an agreement with the IMF within the next few months.

My government is making serious efforts to renegotiate its foreign debt and get fresh money that will allow us to accelerate our development. Despite these problems, in these past 3 years we have been able to maintain our financial stability and economic growth at the same level. We can also say that the goals set by the government are being fulfilled.

I am happy to say that in 1988 the gross national product increased by 4 percent, the deficit was cut from 6.9 percent to 6.3 percent, our exports increased by 14.3 percent, and the export of nontraditional products increased by 12 percent. Our inflation rate is at 5 percent. We are worried about the fact that our rate of inflation increased in 1988; however, it continues to be the lowest in all of Latin America.

In 1988 my government signed loan and donation agreements with friendly governments and international organizations totaling 807 million lempiras. This money will be used to implement social and economic development plans. To the governments and international financial organizations that gave us their help with these donations and loans, I wish to express our sincere appreciation.

Distinguished deputies, even though we will be presenting to you today a detailed report on the Executive Branch's activities in 1988, we wish to stress that we

have given a strong boost to the education sector, which we consider the best tool for achieving the development we seek in our homeland. We have constantly increased the education budget; this budget is the highest of all the government institutions. As a result of this effort, we have been able to make progress in every field of education. In 1988 we opened 1,519 new positions for primary and secondary school teachers; 851,526 students attended primary school; 282,094 students attended secondary school; 907 classrooms were built; 153 primary and middle education schools were repaired; and the Education Ministry's budget for 1988 was more than 417 million lempiras—more than 24 percent of the budget of all the other ministries.

Likewise, much progress has been made in the field of health. We must stress, as one of the most important achievements, the beginning of the work to build La Concepcion Dam. Once this dam is built, the water problems in Tegucigalpa will be solved for the next 30 years.

Regarding foreign policy, my government's main task has been to maintain peace in Central America. Peace is the essential factor to guarantee the social and economic development of our peoples. In accordance with these principles, my government has increased its diplomatic activities in the hopes of guaranteeing peace, not only along our borders, but in all of Central America. In this regard, I wish to mention the proposal our country presented before the UN General Assembly. We proposed the drafting of an international agreement to protect our borders from raids by foreign rebels and violations of our sovereignty by a neighboring army.

We have continued to practice our policy of promoting dialogue and using the procedures established in international law as the means by which to solve the Central American problems. As the Honduran people know, during the preliminary hearings to determine the jurisdiction and admissibility of the charges presented by Nicaragua against Honduras, the International Court of Justice [ICJ] declared itself competent to hear the case, thus agreeing to hear it. At this moment, we are studying this new situation to determine future actions before the ICJ as well as within the framework of Esquipulas II.

We have been, and will continue to be, open to dialogue. We are a peace-loving people and we value democracy and freedom. Our country continues to support its proposal to internationalize the borders with neighboring countries and will continue to participate in all the meetings that could lead us to guarantee a just and lasting peace in the Central American area.

I wish to mention the recognition given to Honduras when it was chosen to host the fifth meeting of foreign ministers of the EEC, Central America, and the Contadora Group. This meeting will be held in February 1989 in San Pedro Sula.

Distinguished deputies, we are now beginning the last year of my government. We must put forth every effort, and so we shall, to complete many of the works and plans that we began. We will also try to leave, for the man who will follow me as the next president, new plans and projects so that the future government will continue, without any delay, to work for the good of Honduras. In its Decree 152-88, the Legislative Branch gave priority status to some of these projects, which have been included in the 1989 budget. In 1989 we will continue to implement all of the measures considered necessary to reduce the fiscal deficit. We will continue to curb spending and will attempt to increase our income.

Honorable representatives of the people, the time is right to wish you success in the fulfillment of the tasks assigned to you by the nation. I hope that the work of this fourth legislature will be for the good of Honduras. I offer you the cooperation of the Executive Branch in your efforts to change and enhance the homeland. Likewise, I hope this Congress will help the Executive Branch carry out its work to improve the plight of the Honduran people.

In conclusion, [6 second break in reception] concern we are feeling at this moment because of the recent incident. Killing people is becoming something very common in Honduras. This is something that should worry everyone. We must all put forth our best effort to eradicate violence from our beloved homeland. I believe that you, gentlemen deputies, share our concern. Therefore, this year and in the future, we will continue to work to bring the much desired peace and tranquillity to our people.

Thank you. [applause]

Anticommunist Group Threatens To Kill Leftists

PA2601125289 Tegucigalpa Cadena Audio Video in Spanish 1207 GMT 26 Jan 89

[Communique issued by the Anticommunist Action Alliance, AAA, sent "last night" to Radio America's Press Directorate; read by unidentified AAA member—recorded]

[Text] Communique: The Anticommunist Action Alliance [Alianza de Accion Anticomunista] reports the following to the Honduran people, in particular, and to the international community in general:

1. During a meeting today, the democratic patriotic committees and our organization's Disciplinary Tribunal tried and sentenced to death the following terrorists of international communism: Jorge Arturo Reina, Juan Almendarez Bonilla, Ramon Custodio Lopez, Anibal Puerto, and Hector Hernandez.

2. These people will be executed beginning on this date for the sake of love of freedom. Death to communism!

Nicaragua

Ortega on Regional Peace, Relations With U.S.

PA2601130389 Managua Radio Sandino in Spanish 1215 GMT 26 Jan 89

[Text] We Nicaraguans have to work to consolidate victory and achieve peace in Central America, President Daniel Ortega said following a meeting with Methodist bishops last night. The Nicaraguan president said the topics to be covered at the Central American summit are human rights, the nonuse of Central American territory to attack fraternal countries, and economic issues.

Establishing peace in Central America will greatly depend on the decisions made by the region's citizens, Ortega said during the meeting with the bishops, who attended an Episcopal peace seminar last night. The president noted:

[Begin recording] The Central American and Latin American people [words indistinct] do not manipulate us. [end recording]

President Ortega also said the summit is a Nicaraguan effort to achieve peace in Latin America. He added:

[Begin recording] It is our Christian duty in Nicaragua, Central America, Latin America, and even in the United States to lay the groundwork—we must lay it—for normalizing relations between the United States and Nicaragua. This would end the suffering of the Nicaraguan people caused by this policy [words indistinct] American and respect the Nicaraguan people's rights to [word indistinct] democracy. [end recording]

Ortega Meets With Mexican Foreign Secretary

PA2601221589 Managua Radio Sandino in Spanish 1930 GMT 26 Jan 89

[Text] This morning Nicaraguan President Daniel Ortega Saavedra met for 1 hour and 15 minutes with Mexican Foreign Secretary Fernando Solana, who is touring Central America to strengthen mutual relations and to contribute to the peacemaking process.

The Mexican foreign secretary will meet this afternoon with other government officials and will brief the news media on the results of his visit before leaving Managua for Honduras.

Ortega Urges Arias To Hold Summit 8-9 Feb

PA2601172289 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 26 Jan 89

[Text] Nicaraguan President Daniel Ortega made new efforts today to persuade Costa Rican President Oscar Arias of the need to hold the Central American summit as soon as possible. The Costa Rican president wants to postpone the meeting.

President Ortega said he has telephoned Presidents Oscar Arias and Jose Napoleon Duarte. There is consensus among the region's presidents that the summit should be held. The only one who is hesitant is Oscar Arias. President Ortega also talked about the effects of the economic crisis:

[Begin recording] [Ortega] We are now facing the price we have to pay for the war. It is illogical to think it is better to be at war than to have peace. If we have peace, we can recover what we have lost, and no lives would be lost. If we are at war, however, we continue to lose lives, and the economy continues to deteriorate.

[Reporter] International news agencies are reporting Nicaraguans were involved in the incidents that took place in Argentina. What...

[Ortega, interrupting] That is typical, saying that Nicaragua is involved in all incidents, not only in Latin America but in Europe and other parts of the world. This does not surprise us.

[Reporter] [Words indistinct] meeting on 8 and 9 February for the Central American summit. What is your reply?

[Ortega] Those were the dates we had agreed on. While we are once again calling on the Central American presidents to hold the summit on those dates, others are now talking about a new date.

[Reporter] [Question indistinct]

[Ortega] We are making contacts right now.

[Reporter] [Words indistinct] President Arias?

[Ortega] Right, there are proposals and counterproposals. There is no date set for the summit yet. [end recording]

Revolution Commander Comments

FL2601042289 Havana Radio Rebelde Network in Spanish 0042 GMT 26 Jan 89

[Interview with Commander of the Revolution Carlos Nunez Tellez, president of the National Assembly, by Felix Fernando Garrido—live]

[Excerpt] [Garrido] Commander, what is your opinion of the upcoming Central American presidential summit, and what is the Nicaraguan Government's position on the current economic and social situation of our continent?

[Nunez] We hope that the presidential summit is held as soon as possible and that it not be constantly postponed. It was first postponed by President Arias and then by President Duarte. While this is happening, each of the Central American countries is bleeding, and it is time that peace is attained in Central America. First of all, I believe the meeting should be held in San Salvador. I

also think the success of the (?meeting) depends on the behavior and position of the new U.S. Administration, which so far has not defined its position on foreign policy. If the presidents were to act independently in a sovereign manner, I am sure that there (?would be) peace in Central America. In his New Year's message, President Ortega is totally (?supported) by the National Directorate of the Sandinist Front. Regarding our situation, I said in the speech that in 1989 we begin a pre-election year. In that sense we should [word indistinct] democracy in Nicaragua.

In the case of human rights, we do not have any problems. Instead, other countries such as Guatemala and El Salvador have them. Apparently some presidents have proposed the idea that human rights be discussed at the presidential summit; however, there is no firm agreement on that.

[Word indistinct] the different political forces, we should adopt a position which will permit the whole country to get out of the current economic crisis which is affecting it; that is one part of it. Another part is one of the possibilities indicated by President Ortega (?which) exists. [sentence as heard] However, I think we should be optimistic and wait for President Bush's definition on foreign policy. That will determine whether or not bilateral negotiations with the United States will be possible, and the support for the Central American presidential summit. I think we should also wait for [Venezuelan] President Carlos Andres Perez to take office. [passage omitted]

U.S.-Made Goods at Managua 'Diplomatic Stores'

PA2701031389 San Jose LA PRENSA LIBRE in Spanish 19 Jan 89 p 11

[Article by Francisco de Andres of Madrid ABC]

[Text] There is more than just poverty and slums in Managua. For a foreigner trying to overcome the harsh conditions imposed by living in Nicaragua, it is absolutely necessary to frequent the so-called "diplotiendas" [diplomatic stores], a capitalist paradise where it is possible to buy all sorts of goods with U.S. dollars. There are about 10 of these huge stores located in Managua's residential neighborhoods, where strict security at the entrances prevents anyone from entering with a camera.

The "diplotienda" in the Serrano neighborhood, a spacious one-story building with no signs outside, reminds visitors of the most sophisticated of Western stores. The crowd, made up of foreigners and Nicaraguans from the new ruling class, walks around the boutiques, electric appliances and hi-fi equipment stores, and jewelry stores, or shops at a supermarket that fills an entire wing.

Purchases must be paid in cash, in dollars, or with vouchers that the Nicaraguan Government distributes among its officials. The higher you are in the Sandinist hierarchy, the larger the voucher you get.

How are the products, most of them made in the United States, brought into the country when there is an economic boycott and Managua is relentlessly preaching "anti-imperialism?" Once again, [Panama Defense Forces Commander] General Noriega's regime solves the problem. The "diplotiendas" are owned equally by the Nicaraguan Government and the Panamanian dictator, and products are imported from the United States through Almacenes Internacionales, S.A., which is registered in Panama.

For lack of other things, the Managua people feed on anti-Americanism, while its government secretly consumes U.S.-made products. However, the paradox does not end there. There is a Sandinist law that prohibits Nicaraguan citizens from having over $500, and many of the products sold at the "diplotiendas" cost more than that.

It could be said that U.S. influence is inevitably linked to the fate of the Nicaraguan people. Nicaragua is a nation sunk in poverty, whose people play baseball surrounded by anti-American billboards and graffiti, and who are ruled by a government that wants to collect money and products coming from its century-old Northern enemy. The Sandinists are Marxists, but very practical ones. The East provides the weapons they need to consolidate their power. However, the things you need to enjoy life, to live well, can be found in other places. And to attain these things, for the time being, you need U.S. currency.

'Patriotic Military Service' Recruiting Begins

PA2601183689 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 24 Jan 89

[Text] Next week Managua Districts 1 and 2 will begin the first period of recruitment for the Patriotic Military Service [SMP] in 1989. Those born between 1965 and 1971 of District 1, including Ciudad Sandino and surrounding neighborhoods, and of District 2, including the western districts of Monsignor Lezcano and Morazan, will be recruited during this period. Carlos Delgado, SMP delegate for the 3d Military Region, announced the following:

[Begin recording] All citizens called up from these districts—that is, all youths who were registered last year—must come to the recruiting office. The draft board will determine whether they will join the military. [end recording]

According to Delgado, the only variation in this recruitment will be the internal distribution of the recruits in the Armed Forces. This means that a large number of the recruits will be assigned to the units defending Managua. These boys are already preparing for the recruitment. Delgado added:

[Begin recording] [Words indistinct] (?for the contras to make them men). The contras are about finished [words indistinct]. [end recording]

There will be four recruiting periods this year.

Panama

Solis Palma, Cabinet Meet Diplomatic Community

PA2601171089 Panama City LA ESTRELLA DE PANAMA in Spanish 25 Jan 89 pp 16, B-2

[Text] "Those of us who have been performing our diplomatic work in this small but hospitable country have learned to love it, because we have seen it is a nation that loves peace, respects rights, defends freedom, and has true human and Christian virtues," Apostolic Nuncio Jose Sebastian Laboa, dean of the diplomatic corps in Panama, said during the traditional reception held at the Presidential Palace's Yellow Room. The gathering was hosted by President Solis Palma and his wife and was attended by the ministers and their wives, as well as by representatives of 11 international organizations.

Msgr Laboa, who spoke on behalf of all diplomats accredited in Panama, said, "During the approximately 2 years in which Panama has been facing the biggest and worse sociopolitical crisis in its history, we have tried—on behalf of our respective states but with no desire to meddle in the sovereign rights of a country that has welcomed us—to search for short- and long-term solutions that will at least relieve the heavy burden on the Panamanian people, especially the most needy and underprivileged. This is why, at this time, we reiterate our desire to support any effort to peacefully return to Panama its happy spirit, its economic development, its democracy, and its international respect."

Fully identifying with the Panamanian people and with the government's actions in the search for peace, the dean of the diplomatic corps pointed out, "We feel encouraged and happy about the decision of all the political groups to participate in the May elections. We trust the elections will be a peaceful means of determining the people's sovereign desire."

This is the first time in 6 years that Msgr Laboa has participated in the traditional New Year's reception. Because of his high rank, he spoke on behalf of the diplomatic community in Panama.

The president, obviously referring to Msrg Laboa's statement, said, "I firmly believe, and it is my own decision, that the government I head will take all the necessary measures to maintain a peaceful coexistence and to have clean elections. This will be done without undermining our inalienable responsibility to preserve the integrity of Panama and of its institutions and to protect our sovereignty, public order, and stability."

Later, Solis said: "Panama has begun 1989 more committed than ever to gradually improving democratic political institutions, which reaffirms our commitment to give these institutions a basic role in society." However, he added, "it is necessary to note that the right to self-determination is a difficult right to exercise. If one even attempts to exercise this right, it can cause serious danger. However, the first thing a man who plans to help his fellow man does is to forget about his fears."

President Solis Palma concluded his statement by saying, "I firmly believe you will witness a great effort by our nation to clearly see reality and to secure the right to freely determine our people's individual and sociopolitical conduct."

This annual reception allowed diplomats, government officials, and representatives of international organizations to exchange views.

Ritter Says No Talks With Bush Administration

PA2601123989 Panama City Circuito RPC Television in Spanish 2300 GMT 25 Jan 89

[Interview with Foreign Minister Jorge Ritter by unidentified reporter; date and place not given—recorded]

[Text] [Ritter] The situation has not improved, and no talks with U.S. Government officials are being held.

[Reporter] Has Panama been invited to attend the next Esquipulas meeting?

[Ritter] Panama will participate in the meeting of the Contadora and Support Groups with EEC foreign ministers, which will be held in San Pedro Sula, Honduras.

[Reporter] Have you talked with any officials of President Bush's Administration?

[Ritter] No.

[Reporter] Will Manuel Solis Palma attend Venezuelan President-elect Carlos Andres Perez' inauguration?

[Ritter] The Panamanian Government has accepted Perez' invitation. President Solis Palma and a delegation will attend the ceremony. During Solis Palma's stay in Venezuela, all the topics of an agenda suitable for an occasion such as this will be discussed. There has been much speculation in the press about Solis Palma's trip. As you have probably learned, the names of two more presidents who will attend the ceremony have been included in the official list of invitees. One of these names is Solis Palma's.

[Reporter] Can this be interpreted to mean that Solis Palma's government has been recognized?

[Ritter] All governments have recognized the Panamanian Government. There is one exception, however: the U.S. Government.

Opposition Candidates Outline Political Platform

PA2701011989 Panama City Telemetro Television in Spanish 2322 GMT 26 Jan 89

[Passages within quotation marks recorded]

[Text] The opposition has announced its platform and said they will participate in the upcoming elections under the name Civic ADO [Democratic Opposition Alliance]. Legal political parties and organizations today announced their support for the opposition presidential ticket formed by Guillermo Endara, Ricardo Arias Calderon, and Guillermo Ford. This support was announced during a news conference at the Marriott Hotel. Dominador Kayser Bazan, who spoke for the Eric Arturo Delvalle-led Republican Party, outlined his party's position.

[Bazan] "In the name of the Republican Party, I want to take the opportunity to express our satisfaction with the unity we have achieved, which will become even stronger. We have put aside all past personal differences among members of this alliance. You can count on our group in the upcoming elections, which we will win. Guillermo Endara will be the next president."

[Guillermo Endara] "The work that must be done when we win—you can rest assured that we will win—is so great that it cannot be carried out by a single party, faction, or group. It will take the efforts of all Panamanians who love this country and who want freedom for this country."

In addition, Endara clearly said that the Civic ADO will not demand—at least not immediately—that General Manuel Antonio Noriega be removed as Panama Defense Forces [FDP] chief if the opposition wins the 7 May elections.

[Endara] "Before deciding to make this demand, we would have to make sure we did it as smoothly as possible. We need his...[changes thought]. We will struggle for democracy and freedom and will attempt to have the military play its proper role. One of the opposition's clear objectives is to have Noriega step down as FDP chief. But this will have to be considered in due time."

During the news conference, Arias Calderon, vice presidential candidate, outlined the opposition platform, which seeks to rebuild the country's economy.

[Arias Calderon] "We do not intend to return to the economy as we knew it before because its possibilities have already been exhausted. We intend instead to set new economic challenges in the country, such as support for agricultural and industrial production and exports in an increasingly competitive world. In addition, we plan to apply, on a short-term basis, a number of measures to meet two needs: those of economic productivity, and those of social justice for the poorest families in our country. The third objective, for which we will make a specific proposal, is to reorganize public administration and foster civic and moral values. This requires serious and responsible administrative career regulations, the independence and reorganization of the judicial branch, and that state officials, such as the comptroller and prosecutors, do not depend politically on the Executive Branch."

The Civic ADO leaders reiterated the opposition's demand that the Torrijos-Carter treaties be complied with to the letter. Guillermo Ford expressed Panama's determination not to be attached to any foreign power. He also stressed the need for close relations with the world's free nations.

[Ford] "We have two very clear and fundamental goals. These are reconstruction and reconciliation, so we can set this country on the desired course of development and democracy. [applause] Regarding the national economy, we must first refinance the foreign debt, which is strangling this country. In this way, we will alleviate this heavy burden. The country must pay about $800 million every year to meet this obligation. We will seek to lighten this load for the benefit of the nation's economy."

PRT States Position on 7 May Elections

PA2601204189 Panama City Circuito RPC Television in Spanish 2300 GMT 24 Jan 89

[Text] The Panamanian Revolutionary Workers Party, PRT, held a news conference today to state its position on the 7 May elections. At the news conference, the PRT leaders said elections are hardly a solution to the crisis our country has been experiencing for the last 20 months. They added that the PRT will not join any coalition for the elections.

[Begin unidentified PRT leader recording] The lack of a popular democracy in the current government does not allow us to accept the invitation to join COLINA [National Liberation Coalition].

The lack of democracy creates doubts about what the regime would do if it entered into an alliance with the peoples' movement. The PRT reiterates and guarantees that before, during, and after the elections, it will be an unyielding bastion in the struggle for national liberation against the overt and covert maneuvers of the empire and its lackeys.

The PRT is, of course, an ally of those who contribute to Panama's liberation from the remnants of colonialism and from the resulting neocolonial situation.

We commit ourselves to making increasing efforts to create a single option for the people. [end recording]

Argentina

Group Reportedly Planned 'People's Government'

PY2601131389 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0115 GMT 26 Jan 89

[Text] Buenos Aires, 25 Jan (NA)—The group that stormed the 3d Infantry Regiment in La Tablada intended to overthrow the constitutional authorities and to implement "a plan of government" with Army funds. The group also sought to dissolve the Armed Forces.

According to documents that were seized from the terrorists by intelligence services, the attackers planned to issue a proclamation. The proclamation states that the so-called "people's government," allegedly to have been installed by them, would adopt the following measures:
1. To decree a 150-percent salary increase for all people earning 2,000 australes or less;
2. To decree a 100-percent salary increase for all people earning 3,000 australes;
3. To decree a 40-percent salary increase for people who earn up to 6,000 australes;
4. To increase minimum pensions to 4,000 australes;
5. To eliminate all privileged pensions for the military, deputies, senators, councilmen, cabinet members, and secretaries of state;
6. To decree a price freeze and to decree that all those who violate the established price freeze, as well as speculators and hoarders, will be punished with sentences of up to 20 years; it wil be up to the people to control the implementation of this price freeze;
7. To decree the immediate suspension of evictions and decree a freeze on house rents;
8. To decrease interest rates and negative rates [tasas negativas], even on previously established credits;
9. To cancel immediately debts contracted with the financial market [mesas de dinero];
10. To cancel debts contracted by small- and medium-sized farmers with the banking sector;
11. To implement unemployment insurance of 2,000 australes per child;
12. To implement a subsidy for unwed mothers of 3,000 australes;
13. The People's Government hereby nationalizes the banking sector; the IAPI, Argentine Institute for Promotion of Foreign Trade, [Instituto Argentino de Promocion del Intercambio] is reestablished;
14. Article No 40 of the 1949 Constitution is hereby established: "Energy sources are the inalianable property of the nation."

The rest of the terrorist proclamation states:

This is a national emergency and solidarity plan that will be implemented for 120 days. It seeks to promote investments for production, and consumption. Within this 120-day period, the proper national sectors will help in the drafting of a short-, medium-, and long-term economic plan that will protect the interests of the entire community.

The funds to finance this national emergency and solidarity plan will derive from:
1. The elimination of the military budget, since the Army has been replaced by the popular militias of the People's Resistance Front;
2. The expression of all the properties of Jose Alfredo Martinez de Hoz and of all military officers who have more than one house and one car; the same will apply to all union leaders;
3. The expropiation of the financial market;
4. The suspension of interest payments on the foreign debt.

This plan is based on the solidarity of millions of Argentines, the immense majority of workers, producers, and unemployed. We have the absolute right to live in a fatherland with liberty and social justice, where all men are brothers, and where the wealth of the country may be enjoyed by everyone in keeping with his work, his creativity, and his honesty.

Alfonsin Signs National Security Decrees

PY2601155789 Buenos Aires TELAM in Spanish 1015 GMT 26 Jan 89

[Excerpt] Buenos Aires, 26 Jan (TELAM)—Through decrees, the Executive Branch has ordered the creation of the Security Council, which will advise the government on how to fight subversion. This decision was made in view of the frustrated attempt to seize the 3d Infantry Regiment at La Tablada. The Executive Branch has asked the attorney general to give the necessary orders for an "immediate and effective investigation of this extremely serious attack on public security."

Decrees number 82 and 83 were signed by President Alfonsin at the Olivos presidential residence last night. In his message to the country on 24 January, President Alfonsin mentioned the instructions he would give for a thorough investigation of the events on 23 and 24 January, and the measures to be adopted within a state of law to prevent other possible subversive attempts to upset order and endanger national security.

Decree 82, which was released at Government House, states that the attorney general's intervention will "give the investigation, which may have to be conducted in various parts of the country, the necessary unity and consistency."

The decree establishes that offices of the national public administration will render their full support, including information and technical assistance, for the swift conclusion of the investigation.

The decree points out that the attempt to seize the Army regiment barracks "was an extremely serious attack on the people's security and was aimed at upsetting the institutions and the harmonious coexistence of the Argentine people."

"Violence is a natural enemy of democracy, because it attempts to replace the people's sovereign will with acts of force. These acts of force disguise messianic objectives that go beyond the ideological principles that they hide behind," the decree states.

"The consolidation of Argentine democracy is definitely isolating the violent groups. This fact exacerbates their despair and cruelty," the decree continues.

It adds: "Within the framework of Law No 23,077, which is aimed at protecting the constitutional order and democracy, all public powers must cooperate with the judicial sector to swiftly and energetically investigate such acts."

"Every government sector and organization must place at the disposal of the judicial branch all information that may contribute to the clarification of acts of extreme complexity and institutional seriousness," the decree concludes. [passage omitted]

Menem Says Attack Plotted by Government, Media
PY2601171489 Buenos Aires Domestic Service in Spanish 1500 GMT 26 Jan 89

[Excerpt] This morning, Peronist presidential candidate Carlos Menem charged politicians, and journalists connected to the government, with being the intellectual authors of the La Tablada attack. He said that it was an attempt to prevent Peronism from winning the upcoming elections.

Menem insinuated that official sectors have special interest in ensuring the Radical Union victory in the 14 May elections. In this way they would avoid being tried for the dirty negotiations they have been recently conducting. [passage omitted]

New 3d Regiment Second in Command Appointed
PY2601171989 Buenos Aires Domestic Service in Spanish 1500 GMT 26 Jan 89

[Excerpt] The new second in command of the 3d Infantry Regiment based at La Tablada, Major Hector Musio, will be installed this afternoon. He replaces Major Horacio Fernandez Cutiello who was killed during the attack on the 3d Regiment on 23 January.

Musio will be the acting commanding officer because Commander Jorge Samudio was injured on 23 January while heading a group of officers including noncommissioned officers who were repelling the terrorists' attack from the rear of the regiment grounds. [passage omitted]

Police Raid 'All for the Fatherland' Offices
PY2601193789 Buenos Aires Domestic Service in Spanish 1500 GMT 26 Jan 89

[Text] The police have made a series of raids on the offices and on the homes of members of the small leftist All for the Fatherland Movement.

Sources have revealed that during the raids the police arrested one 21-year-old woman who is linked to the movement, and who was in possession of Marxist literature.

Navy To Hold Exercises With Brazil, Spain
PY2701014889 Buenos Aires TELAM in Spanish 0023 GMT 26 Jan 89

[Text] Buenos Aires, 26 Jan (TELAM)—The Argentine Defense Ministry has issued a communique announcing that the Argentine Navy will participate in operations "Fraternal XI" and "Iberia I" with the navies of Brazil and Spain. These exercises will take place in the Atlantic Ocean in February and March.

The communique states that "operation 'Fraternal XI' is part of the joint exercises that have been conducted with the Brazilian Navy" since 1978 in accordance with "plans for cooperation and exchange between the two navies."

The communique adds that "the exercises with the Spanish Navy will take place near the Canary Islands. The trilateral [as received] operation 'Iberia I' will be instrumental in establishing operational links with the Spanish Navy, thus strengthening the traditional ties existing between the two countries."

Bolivia

President Paz Sends Message to President Bush
PY2501224589 La Paz EL DIARIO in Spanish 22 Jan 89 p 1

[Excerpt] [Passage omitted] The following message—which was delivered to EL DIARIO yesterday at noon by Presidential Secretary Johnny Nogales—was sent by President Victor Paz Estenssoro to U.S. President George Bush.

Your Excellency

George Bush

President of the United States of America, Washington.

I have the honor of addressing your excellency to express, in the name of the Constitutional Government over which I preside, and in the name of the Bolivian people and myself, our best wishes for success in the mandate to conduct the nation entrusted to you by the American people.

I am sure that your administration will help to strengthen further the relations between the United States and Bolivia, seeking appropriate and common solutions to the problems shared by our societies.

I would also like to express my sincere wishes of well-being to your distinguished family, and to reassure you that you are held in my highest esteem and appreciation.

Victor Paz Estenssoro

Constitutional President of the Republic of Bolivia

La Paz, 20 January, 1989

Bedregal Expresses Condolences to Shevardnadze

PY2401135089 La Paz La Red Panamericana in Spanish 1130 GMT 24 Jan 89

[Text] Foreign Minister Guillermo Bedregal has sent a message of condolence, voicing Bolivia's sorrow over the recent tremors affecting important areas in the Soviet Union. The message is addressed to his Soviet counterpart Eduard Shevardnadze and it reads as follows:

In the name of the Bolivian Government and people, I address your excellency to voice our sorrow over the recent tremors that have affected important areas of the Soviet Union. We voice our hopes for a prompt recovery from such a distressing situation.

Domestic Drug Intelligence Service Proposed

PY2601170289 La Paz PRESENCIA in Spanish 22 Jan 89 p 1

[Text] The DEA, a specialized police agency responsible for fighting drug trafficking, reports to the Bolivian Government "only what it considers to be convenient" and causes our complete dependence on it. The lack of an intelligence service subordinate to our special anti-narcotics agency and manned by Bolivian personnel is a serious obstacle to our struggle to catch "the big fish," who are fully identified, but who nevertheless "are out in the streets free" for lack of evidence to convict them. These remarks were made by Social Defense Under Secretary Jorge Alderete Rosales, who added that the creation of a local intelligence agency is imperative.

Asked about known drug traffickers who operate with almost complete impunity, Alderete said the special force "cannot do anything about it."

Alderete reiterated that there is an urgent need to create our own intelligence service to follow up on the activities of drug traffickers and gather evidence to prosecute them.

"What is the use of arresting them if the judge lets them go for lack of evidence. Besides, the procedure provides them with a good behavior certificate that is later used to their advantage, even when traveling outside of the country." "This is not new. Just think about the years of prohibition in the United States and the famous Al Capone. As we all know, he was not convicted for bootlegging but for some other crime."

Alderete said he trusted that the small increase in U.S. aid to Bolivia to fight drug trafficking will allow us to create our own intelligence agency.

"We should be capable of training a group of people to investigate the drug traffickers' activities and contacts to allow us to build a solid case against them."

* Ministers Review 1988 Economic Achievements

* Planning Minister Reports

33480076a La Paz EL DIARIO in Spanish 29 Dec 88 pp 1, 5

[Text] For the first time in 9 years the national economy has attained 3 percent growth, a rate exceeding that of population growth.

This statement was made by the planning and coordination minister, Fernando Romero, during a lengthy press conference in which the eight economic cabinet ministers participated to explain matters relating to the government's economic policy during fiscal year 1988.

The planning and coordination minister, making an optimistic assessment of the government's economic policy and its projections for next year, declared emphatically: "It is undeniable that Bolivia is a growing economy."

The head of that department recalled that 2.5 percent growth in the GDP had been programmed for this year, claiming that the results, still subject to a final revision, show that the growth "might even prove to be slightly more than 3 percent" reaching an total of $4.38 billion for the year.

Summary

Minister Romero summarized the economy's overall and structural features, noting that it might serve as a frame of reference making it possible for the more specific sectorial reports to be better understood and meet with greater receptivity.

He discussed the economy from the standpoint of exports and imports, remarking that the level was substantially higher than that in recent years; he noted, however, that in 1987 exports totaled about $548 million, increasing very slightly to $551 million in 1988.

He added that the increment was expected to be larger than it actually was, but he considered it worthwhile to stress that the shortfall was due basically to a series of adversities caused by the drop in export prices for some of our products, essentially hydrocarbons, representing a highly significant reduction in what are considered traditional exports.

As for imports, he said that the 1987 total of $750 million had undergone a considerable reduction to $648 million.

Inflation

In commenting on inflation, Minister Romero claimed that it was "an extremely important indicator, considering the fact that stability in the monetary rate and in prices is a fundamental goal of the government's economic policy." He remarked: "This year, we shall be approaching 21 percent inflation; in other words, 11 points higher than the 10 percent originally programmed. Currently, the exact figure posted for inflation stands under 21 percent."

Balance of Payments

Minister Romero discussed the performance of the balance of payments, associated with the monetary reserves as of 31 December 1987 and those estimated by 31 December 1988; he noted that there was "a slight decline in net reserves from $168 million to $154 million."

He said that the level of gross reserves remained at about $400 million throughout the entire year.

He explained: "This doesn't mean that we have had a prosperous situation insofar as the generation of foreign exchange is concerned; the net deficit in the trade balance, that is, comparing the amount that Bolivia purchases and the amount that it sells, is reflected in the difference between adverse imports and exports."

Foreign Financing

In his remarks, the planning minister declared that one factor very important to the economy's performance is that related to foreign financing, essentially, the foreign debt situation.

He explained that the foreign debt is divided into three major components. The first, multilateral debt, is what the country owes to multilateral institutions; this debt has gone from $1.245 billion to $1.330 billion, representing a net increase of $76 million, or 6.06 percent. He said the second is the bilateral debt that Bolivia owes to friendly nations; this debt, which totaled $2.260 billion at the beginning of the year, has declined to $2.179 billion, in other words, a reduction of $81.4 million, or 3.6 percent.

He claimed that this decrease was due to two factors: some countries have cancelled the debt while others have reduced it, and the country has made some repayments.

He said that the third component is what is known as a bank debt. This is the debt contracted by Bolivia with private international banks; it has declined notably since the buying back negotiations held in the middle of this year, reducing it considerably. He reported that, in the records of the Central Bank of Bolivia, this debt stands at a level of $400 million, compared with $677 million, which was the amount of the debt at the beginning of this year. The $277 million reduction was due precisely to the buying back transaction.

* Status of Industry

33480076a La Paz EL DIARIO in Spanish
25 Dec 88 p 3

[Text] After having shown steady declines since 1972, the gross industrial product showed an increase of 4.23 percent during fiscal year 1988; this means that the manufacturing sector's share is 10.6 percent.

This statement was made by the minister of industry, commerce, and tourism, when he was requested to provide a summary of the report that he submitted to the president of the republic concerning the fiscal year which is coming to a close.

He remarked: "The INVOFIM (manufacturing industry's physical volume index), based on branches of activity, shows an average growth of 5.1 percent for the third quarter of 1988, compared with the same period last year."

According to the report, the branches of production showing significant indexes, with rates exceeding 100 percent, are still, in order of volume: packaged and canned fruits and vegetables; cement, lime, and gypsum production; livestock slaughtering; meat preparation and canning; processing of prepared livestock feed; production of vegetable and animal oils and fats; non-alcoholic beverages and carbonated waters; and production of glass and glass products.

Industrial Units

Palenque Cordero claimed: "The new industrial units incorporated into productive activity during the period between January and November of this year, according to the National Register of Industries, have shown significant growth totaling about 57 percent, compared with the situation during the previous fiscal year; 965 business firms were registered, in contrast to 615 registered previously."

He went on to say: "This new business universe has generated 3,645 jobs; representing an increase of about 42 percent over the 1987 figure (2,573 jobs). The new industrial units have registered capital stock of approximately 46.6 million bolivianos, a sum that also reflects an increment of 28 percent over 1987."

He added: "The foregoing proves that the country's industrial sector, convinced of the virtues of the economic policy established by the present government, is backing and bolstering the success envisioned over the medium term for raising industrial production and reactivating the national economy. This process of steady increase in productive industrial units, which has been

incorporated into national economic activity since mid-1985, will be given an even greater impetus by the new Investment Law, the content of which is currently in the phase of final analysis by the authorized state agencies."

Promotion

Minister Palenque Cordero announced that, in a coordinated action on the part of the supreme government, private enterprise, and the Board of the Cartagena Agreement, regional promotion groups have been established in the capitals of eight departments, for the purpose of compiling, processing and disseminating basic information to aid in devising projects, to procure and distribute information on markets, technology, and financing sources, and to exchange business experience.

In order to increase and foster native and foreign investment in the productive sector, by means of a non-repayable loan of $500,000 granted by the Andean Development Corporation, an "investment promotion" unit is being created, the main purpose of which will be to publicize investment opportunities and to back investors in the development of projects and the establishment of business firms, thereby expanding the country's business base.

* Financial Statistics

33480076a La Paz EL DIARIO in Spanish
30 Dec 88 p 3

[Text] While submitting a report on the country's economic performance, Finance Minister Ramiro Cabezas claimed: "1989 will be another difficult year for the General Treasury of the Nation; however, we shall be able to maintain the same discipline as in 1988, to ensure the stability of our currency, and to guarantee sufficient funds to create the local provisions for investment programs."

Minister Cabezas opened his remarks by citing the foreign debt as of 30 September 1988; he noted that the multilateral debt, which is the one owed to international agencies such as the World Bank, the Inter-American Development Bank, the Andean Development Corporation, and others, totals $1.282 billion, representing 32.6 percent of the total.

As for the bilateral debt, he said that it totals $2.228 billion, including the Paris Club creditors, with a sum of $1,462,788; Argentina, with $719,635,000; other countries to which we owe a bilateral debt totaling $45,599,000; and, finally, private creditors, namely, the private banks abroad, to which we still owe $415,680,000. This makes a total of $3,925,740 [as published], with a reduction of approximately $350 million resulting from our recovery of the foreign debt to private banks abroad, at 11 cents on the dollar, with funds donated by friendly countries.

Cabezas explained that Bolivia has been paying all its debts to the multilateral agencies, without any delay.

Internal Revenue

Moving to another topic, the finance minister said that internal revenue collections totaled 686 million bolivianos, and that the projection up to December cited a collection of 619,219,000 bolivianos; this represents a reduction in income, caused basically by the shortage in collections due to lower quantity of imports, totaling approximately $250 million. He explained that this also affected value added tax collections.

He pointed out this lower quantity of imports has the advantage of improving our trade balance, but that they also affect income levels.

He noted that a similar situation has occurred in customs revenue; collections totaling 232.370 million had been estimated for 1988, and the real estimate for the current fiscal year totals 200.872 million bolivianos. The lower quantity of imports was also the fundamental reason for the smaller amount of collections.

Nevertheless, he added, it should be noted that imports during 1987 totaled $750 million, while in 1988 they will not reach $650 million.

Budget

Next, he explained that, with regard to the 1988 spending budget, the General Treasury of the Nation has maintained strict control over spending so as to regulate it on the basis of collections and real income.

He stressed that this meant the postponement of certain investment programs, as well as the deferral of some projects and operating expenses.

* Interior Minister Reports

33480076a La Paz EL DIARIO in Spanish
24 Dec 88 p 5

[Text] According to a claim made by the minister of interior, migration, and justice, Juan Carlos Duran, 1988 was a "positive year," because the government managed to score achievements in the economic area as well as in defense of the democratic system existing in Bolivia.

The minister remarked: "I believe that it was a year of full accomplishment, a very positive and very good year"; he added that the months of the current fiscal year represented progress for the government in state administration tasks.

He explained that greater consolidation was achieved in the economic area, making it possible for the efforts intended to reinforce Bolivia's political system to be well aimed.

He claimed that a system such as the one in force in our nation has enabled the citizens to enjoy "absolute freedom," something that has been underscored not only in our country, but in the nations of the entire world as well.

He noted that the government has not had to resort to any unusual action to defend democracy. He recalled martial law had not been ordered, attesting to progress in the national consciousness.

He commented: "Bolivia is an exemplary country in terms of freedom," stressing the benefits this nation has experienced by having a democratic system in which everyone has an opportunity to disagree even with the executive branch.

He said that the citizens as a whole have found it necessary for rights to be recognized and obligations accepted. For this reason, he claimed, the present government has made it possible to achieve stability in the various fields of activity, something that will have far more visible effects in the near future.

Drug Trafficking

With regard to the battle against the drug traffic, he cited the work performed by the special forces to battle drug trafficking which, according to his account, destroyed hundreds of cocaine factories and processing pits, in addition to confiscating drugs and arresting persons linked with their production or illicit trafficking.

He declared that, despite its economic and technical limitations, Bolivia has managed to respond to the international confidence and to foster a consciousness aimed at improving the methods for combating drug traffickers.

Robbery

The minister announced that the Santa Cruz police had mobilized in a "combing operation," to find the perpetrators of the robbery of a car on the track of the eastern railroad system from which 130,000 bolivianos, intended to pay Christmas bonuses, was stolen.

He said that the armed forces and police were still complying with instructions to eradicate the crime that has been occurring on a large scale during recent months in the city of Santa Cruz, and to benefit the eastern population with protection.

He explained that the police have been taking statements from individuals who may have seen the holdup men at close range, so as to capture them promptly.

Deputy Announces Presidential Candidacy

PY2501121389 La Paz PRESENCIA in Spanish 20 Jan 89 p 1

[Summary] Deputy Victor Hugo Cardenas has announced that he is a presidential candidate for the Tupaj Katari Revolutionary Movement of Liberation.

Congressman Requests U.S. Aid To Oruro Region

PY2601134789 La Paz La Red Panamericana in Spanish 1130 GMT 26 Jan 89

[Text] The Senate yesterday approved a congressional note to the Presidency proposed by Congressman Hugo Campos Vacaflor, which requested that the U.S. assistance currently being rendered to the country be extended to the Oruro region, thus making it possible to implement projects in Oruro Department.

The note states that the Executive Branch should give priority to a request for the rehabilitation and remodeling of Juan Mendoza Airport as foreseen by Law 601, dated 23 February 1984. It emphasizes that so far the terms of this law have not been complied with.

The note also requests a solution to the drinking water problem, and the creation and implementation of the trade and industrial tax-free zone.

Brazil

Sarney To Visit Angola; Heart Attack Denied

PY2601154889 Madrid EFE in Spanish 1452 GMT 26 Jan 89

[Text] Brasilia, 26 Jan (EFE)—The Press Secretariat of Planalto Palace this morning confirmed for EFE that President Jose Sarney will travel to Angola today.

Spokesman Carlos Zarul also denied that the chief of state suffered the beginnings of a heart attack 2 nights ago, as is asserted by the newspaper O GLOBO on the first page of today's issue. Zarul called the report "absurd."

Zarul stated that Sarney always has a thorough medical checkup before traveling abroad, and the results of the recent checkup are satisfactory.

President Sarney will meet in Luanda with this Angolan counterpart Jose Eduardo dos Santos, and he will sign agreements of bilateral interest.

Trade between the two countries amounted to $305 million in 1987, with a $105 million surplus for Brazil.

Further on Sarney's Health

PY2701020789 Rio de Janeiro O GLOBO in Portuguese 26 Jan 89 p 2

[By Tereza Cruvinel]

[Text] In the evening of 24 January, President Jose Sarney suffered his most serious health crisis since he assumed the Presidency. He had the initial symptoms of a heart attack, such as strong pains in his chest. During the night he was assisted by presidential doctor Colonel Mesias de Araujo, by Mrs Sarney, and by Deputy Sarney, Jr.

A Sao Paulo Heart Institute team headed by cardiologist Giovani arrived at Alvorada Palace the morning of 25 January, very discreetly. Sarney underwent the same test he took on 24 January and the electrocardiogram reflected a stable condition. The doctors concluded that the crisis was caused by nervous tension rather than by a heart weakness.

The dispute with Congress on the voting of the economic package, the disappointments over some former ministers, and especially Petrobras crisis may have caused Sarney too much stress. One of the last conversations he held before feeling sick was with General Alberico Barroso, who is leaving Petrobras.

The president, who usually is at Alvorada Palace on Thursdays, moved his day of rest to Wednesday, 25 January. He spent the day with his family, including his children Fernando, Roseana, and Sarney, Jr. Everything now seems to be normal.

Doctor Says Sarney 'Well'

PY2601170689 Rio de Janeiro Rede Globo Television in Portuguese 1500 GMT 26 Jan 89

[Excerpt] This morning the Planalto Palace denied that President Sarney was suffering from any health problems. The president's private physician, Mesias de Araujo, stressed that the president is well, though very tired.

Sarney left the Alborada Palace at 1000. He appeared in good humor and joked with our television crew.

Later Sarney came to the Planalto Palace where he followed his normal agenda, and received three ministers.

His trip to Angola for a 2-day official visit has also been confirmed. He will depart tonight.

The news about the president's health were released to the media by Mesias de Araujo, President Sarney's private physician, at the Alborada Palace this morning. According to Doctor Araujo, the blood and urine tests, and the electrocardiogram taken on 24 January are routine tests before any trip abroad. Araujo added that the results of the tests were absolutely normal. [passage omitted]

Sarney Departs for Angola 26 Jan

PY2701021089 Rio de Janeiro Rede Globo Television in Portuguese 0155 GMT 27 Jan 89

[Excerpt] [Passage omitted] Deputy Ulysses Guimaraes and President Jose Sarney today met at the Brasilia air base. President Sarney left the country for a 2-day visit to Angola and Guimaraes assumed his duties as acting president. [passage omitted]

Sarney Issues Decree on Expenditures

PY2501133689 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 25 Jan 89

[Excerpt] No government organization may sign contracts for supplies without the authorization of the treasurer.

This decision, made by President Jose Sarney through a decree, was made known to the secretaries general of the various ministries by Finance Minister Mailson da Nobrega.

The government has thus implemented President Sarney's decision to keep expenditures equal to revenues. However, any contract under way will be respected. [passage omitted]

Finance Minister Evaluates Summer Plan

PY2701012689 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 26 Jan 89 p 28

[Text] Brasilia—At yesterday's National Monetary Council (CMN) meeting, Finance Minister Mailson da Nobrega recognized that problems exist in the supply side of the economy. He cited the paint and tire manufacturing sectors as ones facing difficulties due to misaligned prices. For nearly 1 hour, Minister Nobrega reviewed the results of the 1st week of the Summer Plan. Nobrega said: "We can speak with moderate optimism."

While recognizing that problems exist in the supply side, the minister minimized them, arguing that these problems are not as bad as those that arose under the 1986 Cruzado Plan. As for the decrease in retail sales due to high interest rates, the finance minister said: "Those establishments will have to have sales to sell their inventories."

According to the government, the financial market is also having some localized problems. However, Minister Nobrega said that there is a trend toward an adjustment in the financial market, and added that the Finance

Ministry and the Central Bank are maintaining high-level talks to analyze eventual distortions in this sector. He said: "It is not a matter of punishing some institutions, but of maintaining surveillance during this phase of accommodation."

Minister Nobrega admitted the danger of maintaining the interest rate at its current 25-percent level because doing so can affect future investments. He affirmed, however, that this high interest rate brought about the result the government expected, because, he said, signals of increased money circulation, which might be caused by the transfer of savings from the financial system to the market, have not been seen yet. The monetization of the economy that could thereby result would trigger a consumption explosion. The minister asserted: "This 1st week gives us the conviction that the economic adjustment program is being administered properly. The program's chances of success are good."

The minister also said that the decision to funnel all foreign exchange operations through the Central Bank has helped to substantially improve the country's foreign reserves. He added: "Those who understood the government's signal went along with that decision."

As for the salary policy, Minister Nobrega sais that the trend is to move toward free bargaining. "Those sectors of the economy are mature enough to assume that responsibility," he stated.

Government Pays $530 Million Worth of Interest
PY2601015389 Rio de Janeiro Rede Globo Television in Portuguese 2200 GMT 25 Jan 89

[Text] Today Brazil paid the creditor banks $530 million worth of overdue foreign debt interest payments. The payment should have been made a week ago, and it corresponds to the foreign debt interest for the 1st 3 months of the year.

The payment was announced in New York by Citibank, the leader of the creditor banks.

New Head of Space Research Institute Appointed
PY2501142889 Sao Paulo FOLHA DE SAO PAULO in Portuguese 24 Jan 89 p c-6

[Summary] Marcio Nogueira Barbosa, head of the Remote Sensing Department of the Space Research Institute (INPE), has been appointed general director of INPE. He replaces Marco Antonio Raupp in that post.

Alarm in Angra I Nuclear Plant Causes Confusion
PY2601000989 Rio de Janeiro Rede Globo Television in Portuguese 2200 GMT 25 Jan 89

[Excerpts] The population of an Angra dos Reis District in Rio de Janeiro State is demanding an explanation regarding the false alarm that occurred in the Angra I nuclear plant early this week.

[Begin reporter Angela Lindeberg recording] The population of the town of Frade, Angra dos Reis District, 155 km from Rio de Janeiro, is still worried about what happened on the night of 23 January when an alarm in the nuclear plant went off. The population panicked and ran for the gasoline station which, according to the civil defense emergency plan, is supposed to be a meeting point in case of a nuclear accident.

Amid the confusion, the civil defense radio did not work. Many people learned that it had been a false alarm 2 hours after the alarm sounded. Now the population is afraid that the emergency plan will not work in the event of a real accident. [passage omitted]

According to the civil defense office, lightning caused the alarm to go off. The nuclear plant superintendent admitted that the district communication system is inefficient, and he promised to adopt the pertinent measures.

[Pedro Figueiredo, superintendent] We must establish direct communications from this meeting point to the control room so that any person who hears an alarm can talk directly to the control room. [end recording] [passage omitted]

Netherlands Offer To Preserve Forests Refused
PY2501141589 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 25 Jan 89

[Text] The Brazilian Government has turned down the Netherlands Government's offer to invest resources for the preservation of the enviroment, especially the tropical forests.

Foreign Minister Abreu Sodre informed Netherlands Deputy Prime Minister Rudolf de Korte that Brazil does not want to turn the country into an ecological preserve for the world, because it wants to continue developing while preserving the environment.

Chile

Foreign Ministry Issues Note on Letelier Case
PY2501001989 Santiago Domestic Service in Spanish 2200 GMT 24 Jan 89

[Text] The Chilean Foreign Ministry has categorically rejected the U.S. decision to cite a treaty signed with Chile in 1914, to turn the murder case of former Chilean Foreign Minister Orlando Letelier over to an international committee of jurists.

This statement was made by Foreign Minister Hernan Felipe Errazuriz, who added that the Chilean Government is handling the situation in a serious and professional manner.

[Begin Errazuriz recording] Yes, on 12 January we received a diplomatic note which we are now studying. We categorically reject the implicit pressure on something we are handling in a serious and professional manner. We have granted all possible cooperation in accordance with our rights and international law. [end recording]

In view of this situation, the Foreign Ministry issued an official statement which says that the 1914 treaty is being studied to see whether or not it is applicable.

The statement adds that the terms used by the U.S. State Department spokesman last Monday in referring to this matter represent a distorted and partial view, reflecting the desire to impose a position disregarding international law and the domestic laws of other countries.

The Foreign Ministry statement concludes by saying that the Chilean courts are processing a rogatory letter submitted through normal diplomatic channels, having to do with the proceedings being carried out in the United States on this criminal case.

Diplomatic Relations Reestablished With Italy
PY2501235989 Santiago Domestic Service in Spanish 2200 GMT 25 Jan 89

[Text] Chile and Italy today reestablished diplomatic relations at the ambassadorial level. A Foreign Ministry Statement says that the government considers this step positive, aimed at strengthening bilateral ties.

Mariano Fontecilla de Santiago Concha, current protocol director, will be the Chilean ambassador to Rome.

Opposition Parties Support Presidential Candidate
PY2601194289 Santiago Radio Chilena Network in Spanish 1600 GMT 26 Jan 89

[Text] At a meeting that concluded only a few minutes ago, the Humanist Party, the Radical Party, the Socialist Party Nunez faction, and the Party for Democracy, PPD, decided to support the prospective presidential candidacy of Enrique Silva Cimma.

The four parties were represented by their top leaders. They released a document in which they explain that they are trying to preserve and strengthen the unity that was reached by the coalition of political parties in the No-vote Command, which allowed the Chilean people to defeat the dictatorship. The communique was read by PPD President Ricardo Lagos:

[Begin Lagos recording] Bearing in mind the ongoing agreement among the opposition forces, we believe that Enrique Silva Cimma, former comptroller general and current president of the Radical Party, is qualified to reach an agreement, in spite of the fact that Laura Rodriguez is the prospective candidate of the Humanist Party.

The Humanist Party National Council will hold its congress in the next few days to decide how to reach such an agreement.

We offer this proposal to the opposition sector, and to the Chilean people, not with the idea of imposing one candidate or excluding another. We want to reiterate our position of unity and our willingness to agree on the points which reflect the unity of the opposition, such as a government program for the transition, and a single candidate to head the next government of national unity. [end recording]

Ricardo Lagos said that the four parties advocate a mechanism to appoint an opposition candidate that would take into consideration the opinion of all the united parties of the opposition, as well as the opinion of social organizations, workers, youth, women, and professionals who made a significant contribution to the victory of the opposition.

Lagos added that the four parties want to reach an agreement on a single presidential candidate, either man or woman. He said that the candidate should offer guarantees to faithfully fulfill the program of transition. Lagos also said that the four parties want to reach an agreement on a program for a transition government.

Bomb Explosion Causes Damage in Osorno
PY2501125489 Santiago LA TERCERA DE LA HORA in Spanish 18 Jan 89 p 4

[Text] Osorno—A bomb exploded in a Pilmaiquen alley destroying windows and water pipes.

According to unofficial reports, the bomb contained 125 to 150 grams of TNT and was placed in the back of the Pilmaiquen Telephone Company building.

The explosion occurred at 2350 on 16 January, causing panic but no casualties.

The explosion broke windows of the telephone company offices. It also destroyed a public telephone booth and water pipes.

Witnesses reported that the bomb was planted by two individuals wearing sports clothes, who escaped into the night. Security personnel are preparing sketches of the suspects based on eyewitness descriptions.

Colombia

Ambassador to Portugal Reportedly Recalled
PA2501012889 Bogota Inravision Television Cadena 1 in Spanish 0030 GMT 25 Jan 89

[Text] Here is a last-minute report related to the arms shipment that was coming from Portugal through Jamaica. As you may recall, a few days ago on this newscast we said a Defense Ministry commission had

traveled to Portugal to obtain all the details related to the weapons sale directly at the source. This commission was headed by General Zuniga. The commission went to Portugal because, although Colombian laws were violated and documents falsified, they had to find out if violations had also occured in Portugal. The commission has confirmed that important procedures were omitted in Portugal. One of them was that the Portuguese consul in Colombia did not authenticate the documents relating to the weapon sales.

The last-minute news is that the Colombian Government has just called General Miguel Vega Uribe, the Colombian ambassador to Portugal and former defense minister, to Colombia for consultations. What does this mean? It means the Colombian Government is expressing its displeasure, its protest, over the way in which Portugal has handled the arms case. The arms sale had many illegalities and the Colombian Government is protesting by recalling Colombian Ambassador General Miguel Vega.

Government Denies Report

PA2501153889 Paris AFP in Spanish 1427 GMT 25 Jan 89

[Text] Bogota, 25 Jan (AFP)—Colombia is studying the possibility of sending a protest note to the Portuguese Government for the sale of 10 tons of weapons to the communist guerrillas that operate in the country.

Colombian Foreign Minister Julio Londono said today that President Virgilio Barco himself will decide if a protest will be sent, based on reports received from a military commission that is presently in Lisbon.

The commission, which is headed by General Camilo Zuniga, should be returning to Bogota in the next few hours following a week of meetings with Portuguese authorities.

"I do not rule out the possibility of a protest note, but so far there is none," Londono told Bogota's private radio station RCN, after Colombian newspapers had reported the note had already been sent.

Londono said, however, that before Colombia sends a protest note, President Barco must evaluate the information brought to him by the commission from Lisbon, where it traveled to clarify the so-called "armsgate."

The scandal emerged when Jamaican authorities confiscated a shipment of 1,000 rifles and 250 machineguns that Portugal had sold to FARC guerrillas using forged documents.

Foreign Minister Londono also denied that members of the commission that visited Lisbon had been mistreated, but he admitted that they had some difficulties in getting some interviews with Portuguese military spokesmen.

Londono said that after the meetings were held, "there has been effective cooperation."

Londono also did not rule out the possibility that Colombian Ambassador to Lisbon General Miguel Vega Uribe could be recalled to Bogota with the purpose, he said, of gathering more information about the case.

"Ambassador Vega Uribe has not yet been recalled," Londono said.

Colombian newspapers reported today that Colombia could decide to report to the EEC the sale of weapons by Portugal to FARC. It was reported, however, "only as an idea."

Moreover, it was revealed in Bogota that the Portuguese Government had requested that the Bogota government pick up part of the weapons shipment that still remains in Lisbon and is part of the shipment sold to FARC.

The weapons still in Portugal are: 2,000 G3-A3 rifles; 1,500 HK-2 machineguns; 65 65-mm mortars; and 35 81-mm mortars.

The Colombian Government has not announced its decision on the matter.

Attorney General Protests New Legal Provisions

PA2501032189 Bogota EL TIEMPO in Spanish 18 Jan 89 p 1, 8-A

[Report on letter sent by Attorney General Horacio Serpa to President Virgilio Barco; date not given]

[Text] Colombian Attorney General Horacio Serpa Uribe has protested the recent adoption of legal provisions linked to the Armed Forces and National Police disciplinary regimes, which—in his words—"intend to deprive the Attorney General's Office of its constitutional and legal power to exercise disciplinary authority over Armed Forces and Police members."

In an emphatic letter to President Virgilio Barco, Attorney General Serpa warns that despite those provisions, his office will continue to conduct its careful disciplinary function over members of the armed institutions "because the Constitution and the law so authorizes it."

"Mr President, no one is unaware of the political and national and international social consequences of depriving the Attorney General's Office of its disciplinary power over Armed Forces and National Police Department members. In addition to being illegal, those new provisions are clearly inappropriate and inexplicable at a time when the country is experiencing serious public order problems," the letter states.

Serpa's vehement rejection of the new provisions was expressed immediately after Laws No 85 and 100 issued by the government on 10 and 11 January were announced. The laws deal with the Armed Forces and National Police disciplinary and honor regimes.

In his letter, Serpa says: "Mr President, I cannot not express my deep surprise at why my office was not consulted prior to making such an important decision."

Serpa specifically mentions Articles No 217 and 232 containing the two recently approved regulations. Regarding Article No 217, Serpa says that because it is worded so vaguely, the article might say that the Attorney General's Office can only "dismiss military officers and subofficers when exercising its supervising power."

Serpa added: That article "reduces the Attorney General's Office constitutional and legal power to apply disciplinary measures to Army or Police members who have committed irregularities that do not call for the most severe punishment."

Serpa adds that it is also difficult to interpret the true scope of that article.

Serpa adds that "Article No 232 of Law 100 of 1989 seems to eliminate the competence of the Attorney General's Office regarding National Police members."

Serpa cited the section of the article that, in his opinion, can lead to confusion: "Exclusive application of measures by competent authorities. The present regulation will be exclusively applied to National Police members and only by those whom the current regulation regards as competent authorities."

Serpa explained that on 19 and 20 December 1988, the chief of the Presidency legal office was told about the adoption of the aforementioned regulation by the Auxiliary Attorney General's Office and the designated attorney general for the National Police. Serpa said the Auxiliary Attorney General's Office told the Presidency official that some people were trying textually to reproduce a regulation that had been declared invalid by the Colombian Supreme Court of Justice in its Ruling No 129 of November 15 1984, with which it ruled on a suit against Articles No 19 and 20 of Decree No 2137 of 1983 regarding the organic statute of the National Police.

Serpa Uribe recalled that as the Supreme Court of Justice and the Council of State had indicated, "military men and policemen are all state officials. In other words, the Attorney General's Office has jurisdiction over them."

Barco Reassures Serpa Uribe

PA2601035389 Bogota Emisoras Caracol Network in Spanish 1215 GMT 25 Jan 89

[Text] The Colombian Government has once again given the Attorney General's Office the authority to investigate members of the Armed Forces and the National Police.

President Virgilio Barco issued a decree pertaining to Law 25 of 1974, and notified Attorney General Horacio Serpa Uribe, who recently complained that his office had been deprived of the power to discipline members of the Armed Forces and the National Police, of the decree.

In his message, the president said: This decree is not intended to violate the constitutional and legal powers that have been granted to the Attorney General's Office. We agree with and totally abide by the Supreme Court of Justice's rulings about the powers of the Attorney General.

The government feels the disciplinary powers of high-ranking officials are no different than those granted by the Constitution and the laws to the Attorney General's Office. Therefore, the investigatory powers of the Attorney General's Office cannot, under any circumstance, be violated by the executive branch's administrative powers.

Two UP Leaders Killed in Tolima Department

PA2401000489 Hamburg DPA in Spanish 1737 GMT 21 Jan 89

[Text] Bogota, 21 Jan (DPA)—It has been officially confirmed that two leaders of the leftist Patriotic Union [UP] were killed by unknown persons near Rio Blanco Municipality, Tolima Department.

It was learned that Cristobal Perez and Ruben Dario Ramirez were shot to death by a group of heavily armed men.

So far this year, 12 members of the UP, the largest leftist political force in Colombia, have been killed by rightist paramilitary groups. Since the UP was founded in 1985, approximately 900 of its members have been murdered.

According to the Administrative Department of Security (DAS), a rightist paramilitary group is responsible for the massacre of 12 persons last Wednesday. The 12 were members of a legal commission investigating nearly 30 cases of murders and disappearances of peasant leaders, some of them UP members, in several municipalities of northeastern Colombia.

UP's Jaramillo Discusses Death Threats

PA2601151989 Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 24 Jan 89

[Report by Raul Gutierrez]

[Text] Patriotic Union [UP] President Bernardo Jaramillo Ossa today revealed that the government warned him of a plot to murder him at El Dorado Airport upon his return from Cuba.

After returning home from the airport on Saturday night, Bernardo Jaramillo received another death threat over the telephone. Today, following additional evidence to substantiate the threat, the authorities stepped up security measures for Jaramillo. An armored vehicle, 2 station wagons, 2 motorcycles, and 15 men, armed to the teeth and not more than 30 years old, have become Jaramillo's guardian angels.

[Begin recording] [Gutierrez] Are you afraid?

[Jaramillo] I have always said that only (?bad) people are afraid. However, I will tell you quite honestly that I would be more afraid if I had decided to leave the country. I am determined to remain in Colombia and to continue working for democracy and peace.

[Gutierrez] Do you feel that the government is giving you enough protection?

[Jaramillo] One thing is the direct protection efficiently provided by the Administrative Department of Security, and another thing is the government's policy for eliminating these problems. I do not believe the government's policy for dismantling the paramilitary groups is appropriate.

[Gutierrez] When you leave your home, do you feel it is your last day?

[Jaramillo] I have always been an optimist; I also believe that you will die when you least expect it. When I walk out of my home, I take all the necessary precautions. [end recording]

Jaramillo said his two sons, who do not live in Bogota, called to say they wanted to see him. Jaramillo told them to stay away; he fears that a surprise attack can happen at any time and that his family and friends may become the victims of this never-ending war.

4 Investigators Resign After Personal Threats

PA2501041389 Bogota Inravision Television Cadena 1 in Spanish 0100 GMT 22 Jan 89

[Report by Mari Villalobos]

[Text] Four officials who had started to investigate the killing of 12 judicial officials near (La Rochela), in Santander Department have resigned because of threats. However, various entities continue to investigate the crime.

Death hangs over Barrancabermeja. The judge appointed to investigate the killings of the 12 judicial officials was threatened today. Yesterday, two individuals riding a red motorcycle threatened two investigators during the funeral of [words indistinct] held in Barrancabermeja oil port. In spite of these incidents, a 15-member team, including two judges and three members of the Judicial Police, are examining evidence found in (La Rochela), where the crime was committed.

The national director of the Criminal Investigations Department flew in a helicopter to inspect the site and looked on as evidence was gathered. A poster of Alvaro Gomez Hurtado and several empty AR-15 and 9-mm cartridges were found on a highway, as well as a card with a name on it. It has not been determined yet if these objects belonged to the victims or to the criminals.

Colleagues of the 10 who were murdered carefully sifted through the soil, looking for more evidence.

[Begin unidentified official recording] We must investigate this scientifically; in other words, we must apply science to this. The evidence will tell us what happened. [end recording]

Relatives of the murder victims went to the Judicial Police office in Barrancabermeja to demand the victims' clothing, identification cards, and even a typewriter they were planning to use to report on the investigations of the 56 killings that have taken place in this part of the Middle Magdalena area.

It has been 4 days since the killing and no one has been arrested. However, the judges and the Criminal Investigations Department officials are here, trying to gather evidence that will clear up this crime.

EPL Ambushes Police Patrol, Kills 5

PA2501234689 Bogota Emisoras Caracol Network in Spanish 1215 GMT 25 Jan 89

[Text] A search is on for an EPL [Popular Liberation Army] unit that yesterday incinerated five members of a National Police patrol in [word indistinct], Risaralda Department. The policemen burned to death inside their vehicle in La Selva, a few kilometers from (Chinchilla).

The policemen, who will be buried today, were Lieutenant Jesus Antonio Cordoba, Antonio Guillen, Rubiano Wapaxmayo, Jorge Perez Gallegos, and Oscar Castano Tamayo.

New National Police Director Sworn In

PA2601194089 Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 24 Jan 89

[Text] As of today Brigadier General Miguel Antonio Gomez Padilla is the new Colombian National Police director. Gomez was sworn in during a ceremony at the General Santander Military Academy. Colombian President Virgilio Barco did not attend the ceremony, but the entire Colombian military leadership and a government delegation headed by the government minister were present.

Army Commander General Oscar Botero talked about reports linking the Colombian Army with paramilitary groups.

[Begin recording] [Botero] The misnamed paramilitary groups, which some have tried to link to the Colombian Army, have nothing to do with the Army. I believe reports about those links are biased and extremely harmful to the Armed Forces and the country. Our conscience is at ease, and our institution has nothing to do with those groups.

[Reporter] What can you tell us about clashes between the Army and guerrillas in Cordoba Department?

[Botero] There have been a number of Army and rebel casualties. This morning I learned that more combat troops arrived in the area. I can tell you that the Army is doing something about those clashes. [end recording]

San Andres News Stations Protest Complaints
PA2501045189 Bogota EL TIEMPO in Spanish
18 Jan 89 p 8-B

[Text] San Andres has been without local newscasts since Friday when its station owners and journalists decided to go off the air.

The decision was made after the communications minister sent a letter to managers of three news programs urging them to register, obtain broadcasting licenses, and complete other formalities.

However, what most infuriated the broadcasters were the "complaints of the local government authorities." As a result, the communications minister reminded them of a decree that forbids airing talk about the private lives of government officials.

The letters do not mention a specific case or the name of the person filing the complaint. Although the letters do not order the newscasts closed, their owners have decided to close anyway.

On Friday morning Radio Morgan, affiliated to the Todelar network, did not broadcast its newscast. At noon, independent Radio Leda made a similar decision.

La Voz de las Islas, affiliated to the Caracol Network, has broadcast no news at all this year. RCN [Radio Cadena Nacional] has hired no personnel for its newscast for several months.

The letters are dated 29 December and arrived on the island on 6 January.

Local official Hidalgo May explained that he had filed no complaint at all and that it would be unjust to blame the local administration. He said the judges were the ones who complained.

After a meeting of the three broadcasting station owners on Saturday, it was verified that the letters are similar.

In San Andres there are no monitors controlling the local radio stations. "It would be very appropriate if there were," said one of the journalists.

Drop in Oil Prices Causes Revenue Loss
PA2601221989 Bogota EL TIEMPO in Spanish
21 Jan 89 p 8-A

[Summary] EL TIEMPO has learned that oil revenue dropped by $201.1 million in 1988, while gasoline imports jumped from $99.5 million in 1987 to $155.7 million in 1988.

The reduction in revenue is due to a drop in the international price of oil as well as a drop in sales due to terrorist attacks on the Cano Limon-Covenas oil pipeline.

The report added that Colombia exported 53.3 million barrels of oil in 1988, while it exported 51.8 million barrels in 1987.

According to final reports, Colombian oil exports in 1988 amounted to $694.5 million, as compared to $895.6 million in 1987.

*** Administrative, Budget Problems in Rural Areas**
33480087 Bogota EL ESPECTADOR in Spanish
5 Dec 88 p 7-A

[Excerpts] [Passage omitted] Intendants, commissioners, town counselors, and administrative advisors were the special guests at this conference organized by Dainco [Administrative Department for Intendencies and Commissariats] to analyze administrative operations in intendencies and commissariats in the decentralization process.

The first issue which the commissioners brought up was the absolute poverty of regional treasuries. No commissariat has decided upon a specific development plan because the budget is insufficient to pay professionals to draft such a plan, much less to pay for its implementation. Because of this, the commissioners have come up with investment plans which require Dainco's collaboration.

As for intendencies, Arauca and Casanare—because of their petroleum-rich land—asked for financial and planning advice on the most profitable way to invest their resources, according to their chief executives, Stella Alvarez and Fabio Pinilla Castellanos, respectively.

Although San Andres has no petroleum, it is undoubtedly in a better position because it was the only intendency to state that it has a sufficient resources to finance work projects, in contrast with the long-suffering commissariats, which must use funds from future budgets to be able to finance one complete project.

This is the situation in Vaupes, where the projected micro-power station cost 1.5 billion pesos against an annual budget of 20 million pesos. [sentence omitted]

The Dainco chief advised them to think of Dainco as a project coordinator, not a project executor, a comment he voiced before the commissioners asked for his help with the great number of projects planned in these remote areas of the country.

In the four commissariats which are the poorest, hardly anyone pays for public services because they are not provided on a regular basis. This same situation occurs in the Putumayo intendency. The reason users give for not paying is that the government should first pay them to live in these remote areas.

For example, Vichada's commissioner, Jairo Hernan Benjimea, explained that in Carreno there is a 1000-kilowatt electric plant which uses 10 barrels of diesel oil daily to supply electricity to the entire population. The commissariat receives only 2 million pesos a year for energy, whereas the operating costs of the electrical plant exceed 90 million pesos.

A similar situation exists in Vaupes where, according to the commissioner's indication, the sectional administration spends 70 million pesos to run a 250-kilowatt and a 350-kilowatt electrical plant, both operating 4 hours each day. For this service, the commissariat receives 10 million pesos in addition to 13 million pesos from ICEL [Colombian Electrical Power Institute] which does not alter the notorious gap between income and expenses and in no way helps increase the reduced local budget.

But the most curious thing is that even in these conditions, the few people who pay for electrical service wind up paying the highest rates in the country. [passage omitted]

Ecuador

Borja Rejects Peruvian Minister's Statements

PA2601144789 Paris AFP in Spanish 0453 GMT 25 Jan 89

[Text] Quito, 24 Jan (AFP)—Ecuadoran President Rodrigo Borja today described as "inappropriate" statements by Peruvian Foreign Minister Luis Gonzalez, who last week said "no negotiation is possible" on the borders between Peru and Ecuador.

Borja reiterated that Ecuador's territorial problem with Peru "is a delicate, damaging, and painful topic for Ecuador, and it cannot be resolved during a brief conversation."

Luis Gonzalez said Peru's borders with Ecuador are not negotiable when referring to statements by former Ecuadoran foreign and defense ministers, who favor a peaceful bilateral negotiation.

In 1942, after populated areas in southern Ecuador were invaded by Peru, a border treaty was signed under which Ecuador lost around 200,000 sq km. Ecuador later considered this treaty invalid, and in 1981 the two countries again clashed in the Condor mountain range, where 78 km of the border have not been defined.

Ecuadoran Foreign Minister Diego Cordovez said yesterday that Ecuadoreans and Peruvians should overcome problems that hinder friendship and cooperation.

Alfaro Lives, Dammit Agrees To Lay Down Arms

PA2701015289 Quito Radio Quito in Spanish 2300 GMT 26 Jan 89

[Text] Government and Justice Minister Andres Vallejo has announced that the Alfaro Lives, Dammit subversive group has decided to lay down its arms (?and) to halt its clandestine activities in order to join the country's political and (?civilian) life within a framework of legality and under the protection of constitutional guarantees.

Vallejo noted that the government has held talks with the leaders of this organization through Labor Minister Cesar Verduga, who succeeded in reaching an understanding to consolidate the country's peace and tranquillity.

[Begin Vallejo recording] Following talks, the Alfaro Lives, Dammit movement decided to (?forsake) the armed struggle and to join the country's civilian and (?legal) life. This falls within the framework of the government's promise to make every effort necessary to defend peace and to consolidate [words indistinct] in order to deal with the problem of the most serious economic and social crisis in our history.

The government expresses its pleasure over this decision of the Alvaro Lives, Dammit group and, based on this action, it guarantees to that organization's members who abide by the laws and participate in the country's civilian life the right to exercise their constitutional rights.

This action does not limit the judicial branch's powers in regard to ruling on trials under way in the country's courts for crimes committed previously.

The government sincerely believes that this action brings an end to the uneasiness that has existed in Ecuador for the last few years and that (?in) the future, and based on a national agreement, this opens a real possibility to establish—through dialogue with all sectors—social justice, to deepen democracy, to reassert national sovereignty, and to consolidate peace in order to achieve progress in the nation. [end recording]

More on Guerrilla Group

PA2701021889 Hamburg DPA in Spanish 0059 GMT 27 Jan 89

[Excerpts] Quito, 26 Jan (DPA)—Government and Justice Minister Andres Vallejo today unexpectedly announced that Ecuador's only guerrilla group, the "Alfaro Lives, Dammit" [AVC] movement, has agreed to lay down its weapons "immediately and completely."

Vallejo had urgently called a news conference today at noon "to announce the end of a period of anxiety," saying: "We have achieved a broad peace agreement."

The members of this subversive group—whose exact numbers are not known—will be allowed to return to legal political life "with all rights and guarantees," according to the official announcement. However, all legal proceedings against the guerrillas will proceed "normally," and no arrangements have yet been made in terms of an amnesty for the approximately 70 guerrillas who are imprisoned.

"Commander Joaquin," speaking on behalf of the AVC in a radio interview last night, said the armed group "had already held eight meetings with government representatives to negotiate an agreement." Vallejo today confirmed the commander's statement and explained that Labor and Human Resources Minister Cesar Verduga was responsible for negotiating with the guerrillas.

Vallejo, who is considered the most influential member of Ecuador's social democratic government since President Rodrigo Borja rose to power last August, added that "a new stage of open dialogue to consolidate peace and democracy in Ecuador has begun today."

Vallejo said that authorities would announce more details about the pact, including the possibility that the guerrillas will turn over their weapons to the government soon. He added: "This is all we are able to announce for now." [passage omitted]

In his interview last night, "Commander Joaquin" said that during the negotiations the government agreed to include the AVC in a large-scale debate to discuss the government's plan for the nation, which will be announced in February. He added that the government had also agreed to hold a dialogue with the guerrillas on "the nation's great problems" and had committed itself to "taking the guerrillas' opinions into account" in seeking a solution.

Vallejo said that "the agreement is already in effect," adding that it "clearly proves that dialogue is more powerful than force."

Peru

President Comments on IMF, Soviet Contract

PY2601154289 Lima Television Peruana in Spanish 0100 GMT 26 Jan 89

[Interview with President Alan Garcia by unidentified reporter; place and date not given—live or recorded]

[Excerpts] [Reporter] Does the government believe it has a chance of truly negotiating with the IMF?

[Garcia] Regarding the IMF, I would like to point out that for many years now we have noted the unfairness of world trade and the foreign debt problem. We have also noted that certain economic principles, such as a commercial opening, are unfeasible and have had very poor results in Latin America. As is appropriate of a civilized country, however, we have maintained a dialogue. Our ministers have always attended the IMF meetings, and during the recent visit that Minister Rivas Davila paid to Washington, we received a proposal of steps to be taken. We still do not regard these proposals as political treatment of the foreign debt problem. They are merely proposals of an accounting and financial nature, and they are not the most convenient for the Latin American countries and for Peru at this moment. We have been told that we would have to make a symbolic payment of $30 to $50 million in the first place. Once we have done this, we would be visited by an IMF mission that in a couple of weeks would draw up an economic program that we would have to implement and that would obviously entail an adjustment much greater than the one being implemented now. Once these conditions have been fulfilled, the IMf would help us, if possible, find some countries that would grant us a bridge loan. It is believed that a group of countries that loan us between $700 million and $1 billion could be found in about 5 months. This loan would be used to pay the IMF. Once this step has been completed we could start talking sometime in August or September about an IMF loan to Peru. This loan would be disbursed around the end of the year. We still consider this proposal insufficient and are going to make a different political counterproposal.

[Reporter] How much do you (?plan to ask for)?

[Garcia] We are still analyzing that point. What is clear is that we need a positive inflow; in other words, we need to receive more dollars than we disburse. If this is not possible, there is not much point in carrying out negotiations that will only end up in our paying out more than we receive and continuing to drain what little capital we have left.

[Reporter] Mr President, is it true that in the next few days the government will issue a package of economic measures designed to reduce subsidies by 12 percent?

[Garcia] No. We must obviously continue reducing subsidies gradually, by cutting the amounts down gradually or by changing our whole economic policy, including the exchange rate and the salaries policy. What Minister Rivas explained to us in his last speech is how our economic packages have been reduced gradually. In September our currency was devalued by 211 percent, in November by 100 percent, and in January by 40 percent. In other words, the adjustments have become gradually smaller, and I believe that is the result of having made the adjustment gradually, without the need for the shock adjustment that some sectors demanded and that would have had irremediable social consequences. If the adjustments being made during these past few months have had serious social consequences, as we know they have, a single shock adjustment would have had truly dramatic consequences—even political consequences.

[Reporter] Is the government considering negotiating with the EEC of the socialist bloc in order to relieve the economic crisis somewhat?

[Garcia] That is what we are doing. This very morning I received the Soviet Ambassador, Mr Filatov. As you well know, the Soviet Union has opened a line of credit for Peru for everything concerning machinery, cellulose, and high- tension pylons, for a value of approximately $160 million, payable in 8 years, with a 1-year grace period, and at 5 percent interest. In Caracas—where I will attend the inauguration of President-elect Carlos Andres Perez—I will probably have the opportunity to meet with Felipe Gonzalez and other European government representatives.

[Reporter] Mr President, regarding the IMF, commentators and politicians have stated that the obstacle to granting Peru a bridge loan is the fact that our country does not have a coherent economic program. What do you have to say about that?

[Garcia] The problem is that what they consider coherent is to do everything at once and through a huge economic package. We do not agree with this idea. If there is no flexibility, and if it is not understood that the measures can be implemented gradually, I do not think we will be able to reach an agreement.

[Reporter] What sort of flexibility do you expect?

[Garcia] That it be understood that subsidies can be reduced gradually and without dealing our economy a hard blow.

[Reporter] Mr President, the international organizations regard a shock policy as coherent; they have already said so. Therefore, it is quite unlikely that Peru will be granted any loans.

[Garcia] But we consider a shock policy inchoerent. A shock policy by which all subsidies are reduced in a single day, by which the exchange rate is turned into a floating rate—almost placing it at the rate paid on the parallel market and forcing us to pay for our foodstuffs at that rate—by which the public deficit is reduced as in 1978 and hundreds of public servants are therefore dismissed. We do not regard this as a coherent policy. We believe that a solution can be found gradually, although it may take time.

[Reporter] Can Peru solve its problems without receiving loans?

[Garcia] Basically speaking, Peru can solve its problems with its own resources. People are being led to believe that Peru can only solve its problems with credits and loans, but this is absolutely false. We have resources in the oil and gas fields. We have possibilities for exporting mining and agricultural goods to finance our development. We cannot adopt a colonial attitude and believe that we can only solve Peru's and Latin America's economic problem with credits. We have enough resources. If the international community grants us fresh and positive credits, they will be welcome. If we are told, however, that we must disburse $1 billion before being considered for $200 million a year later, then I do not believe that that is good for the Peruvian economy. We believe Peru can solve its problems with its own resources and with productive foreign investment, such as the productive investment that has allowed the discovery of oil, and that which will allow the reactivation of many mines, now that prices have risen. [passage omitted]

[Reporter] Another important issue in the headlines during the past few weeks involves the fishing contracts with the Soviet Union. What is the government's exact position on these contracts? Requests for protective clauses have been made; the fisheries minister says that there has been a lot of criticism; the Soviet vessels have left the 200-mile jurisdiction. What does the government have to say about all this?

[Garcia] There has been much unjust criticism on this issue. People here feign surprise and protest against these contracts, even though they have signed or approved—or remained silent about—other contracts that were truly burdensome and were signed prior to this administration. With this contract Peru receives 17 percent of all that is caught. In contracts signed during other governments Peru received only 5 percent, but nobody protested then. This subject is brought up because of the political situation we are experiencing and the great protests against the government.

I want to point out several things. In the first place, I am interested in fish as a source of nutrition for the people, no matter who catches it. I want there to be enough fish, more than the bare necessity, so that its price may be low and the people may eat protein. If the Russians catch it, good for them. If some Peruvian businessmen want to

invest in fishing fleets, better still. I would rather the the Peruvians catch it, but as long as the Peruvians do not, let the Russians go ahead. Our priority issue is food for the people.

In the second place, if some Peruvians decide to obtain a fishing fleet, they will have the same or better conditions than those granted to the Soviets. Some protest that the Soviets are granted very good conditions. If the Peruvians who, over the past 40 years, have ceased producing fish meal, in order to make easy money, decide to help feed the people, they will be granted identical or even better conditions.

In the third place, the contracts that they strongly criticize are far better than those signed by prior governments—and I am not going to mention which ones. Contracts were signed for 1982-84 by which Peru was granted only 5 percent; now we obtain 17 percent of what is caught. Those who signed contracts for only 5 percent of the production are the ones who protest most. Furthermore, those contracts did not mention the payment of taxes. Those contracts also provided for the intervention of intermediary enterprises—and congress should look into this point—and those intermediary enterprises made money on the exports made by the Soviets. All this has been changed now.

These are only juridical aspects. What concerns us is what the people eat. We must fish, or the fish will die of old age and sink to the bottom of the ocean. If the Soviets arrive with their fleet, good for them. If the Peruvians obtain a fishing fleet and decide to invest in the nutrition of the people, they will be granted better terms than those granted to the Soviets.

[Reporter] Does this mean that the Soviet vessels will start fishing now?

[Garcia] Definitely yes. As soon as they have solved their problems, they will start fishing. They will stop fishing as soon as we have Peruvian fleets that can catch the same amount of fish. This is definite; we want the people to consume the fish that Peru can provide. We cannot stop fishing nor prohibit others from fishing, which is what some people here are doing. We need those who come to fish under contract. Should our shipowners and fish meal producers of the past 40 years decide to obtain fleets to feed the people, we will bid farewell to the Soviets as soon as the Peruvians are capable of catching a good quantity of fish. We will thank the Soviets for coming and tell them that we now have a Peruvian fleet, formed by Peruvian businessmen, capable of catching what they had been catching. I think this is quite clear.

Garcia 'Granted' Permission To Visit Venezuela

PY2601142389 Lima Domestic Service in Spanish 1030 GMT 26 Jan 89

[Text] The Permanent Congressional Commission [legislative authority during congressional recess] has granted President Alan Garcia the constitutionally required permission to travel to Venezuela from 1 to 4 February to attend Carlos Andres Perez' inauguration.

Economy Minister Speaks of New Economic Measures

PY2601134489 Lima Television Peruana in Spanish 0100 GMT 26 Jan 89

[Text] Economy and Finance Minister Carlos Rivas Davila today said that the government does not plan to implement harsh new economic measures against the Peruvian people but that it will implement corrective measures and adequate mechanisms to overcome the economic crisis.

[Begin recording] [Reporter] There is speculation that new price readjustments will be made.

[Rivas] It is only speculation, like many other rumors in the country. I just delivered a report to the APRA congressional bloc on my recent trip to the United States and the negotiations that we held there. The report expands a bit more on the speech I delivered to the country on 22 January. I can only refer you to that speech because we did not discuss any other matter.

[Reporter] Late in December you said that no new economic measures would be implemented. However, only weeks later there are new measures.

[Rivas] They are corrective measures that have to be made. I have always said that the economic crisis is like an illness. A sick person has to get medicine and our economy must have necessary corrective measures. We are implementing a gradual policy; we are not implementing a shock policy. A shock policy means massive layoffs and automatic increases in utility bills, fuel prices and food prices. We are making studies with great responsibility. We are evaluating the results of our economic policies, and the correction will be made at the right time. [end recording]

ROK Offers $10 Million for Fishing Fleet

PY2601134989 Lima Domestic Service in Spanish 1030 GMT 26 Jan 89

[Text] According to Fishing Minister Romulo Leon Alegria, Peru will soon have its own fishing fleet, thanks to loans that have been offered by friendly countries.

The minister made his remarks while commenting on the recent contracts with the Soviet Union. Romulo Leon added that the Republic of Korea has offered Peru a $10-million loan to build 5 fishing ships, and Argentina has offered a similar amount for another 14 ships.

We are implementing the program step by step because it is the only way the country will have its own fishing fleet and be able to provide enough fish to satisfy our domestic consumption, the minister said.

APRA Secretary Rejects IMF Imposition

PY2601144189 Lima Television Peruana in Spanish 0100 GMT 26 Jan 89

[Text] APRA Secretary General Luis Alva Castro today rejected the IMF policies. He also stated that an emergency economic program should be designed now.

[Begin Alva recording] The idea of having to make a goodwill payment of $30 million seems useless to me if this is not part of an overall plan, because Peruvians need a coherent and consistent economic program that will give them an idea of where they are going and what we expect to get with this payment. We are told that this is a goodwill payment, but it does have conditions.

This is why I have said several times that the goodwill expressed by the UN secretary general, our countryman Perez de Cuellar, should be expressed in negotiations between him and the IFM to do away with its impositions. We do not have to accept impositions, or as we say, we do not have to put on the rack. Peruvians cannot make payments when we need the money for national development and, above all, when we care for the needs of the people in a crisis like this one. [end recording]

Two 'Subversives' Killed in Clash With Police

PY1901204080 Lima Television Peruana in Spanish 1800 GMT 19 Jan 89

[Text] Two subversives were killed and a policeman was seriously wounded in a shoot-out early this morning near the San Carlos service station in Canto Grande. The shoot-out occurred when a police patrol intercepted four suspects in the area of the service station. Policemen Jose Felix Aguirre was seriously wounded by a bullet in the chest and another in the arm. He was taken to the Police Hospital.

Two of the wounded subversives died later at the Rimac hospital where they were taken by the members of the National Police. The other subversives escaped. Police sources stated that the subversives were planning to blow up the service station because a blueprint of the station was found in their possession. It should be pointed out that the subversives used firearms with silencers.

Terrorist Activities Reported in Ayacucho

PY2101010489 Madrid EFE in Spanish 0344 GMT 20 Jan 89

[Text] Ayacucho, 19 Jan (EFE)—Today two people were wounded when a bomb exploded in San Juan Bautista municipality. Officials said that Shining Path members were responsible for the attack.

A woman was also murdered today in Huamaguilla in another apparent terrorist attack.

Police sources stated that the bomb attack involving the Shining Path caused serious damages.

Press sources reported that today they received a Shining Path document that harshly criticizes the policies of the Alan Garcia administration. The document also announces that it will soon call for an "armed strike" in the Ayacucho Department.

A similar strike last November, imposed by the Shining Path by terror, lasted 1 week.

The same sources also said that reporter Luis Morales, who works for an Ayacucho regional organization, reported that five unidentified individuals attempted to kidnap him. He luckily escaped.

Shining Path Comando Kills 3, Wounds 5 in Junin

PY2301145789 Madrid EFE in Spanish 2001 GMT 22 Jan 89

[Excerpt] Lima, 22 Jan (EFE)—Three people have been killed, and five people, including a mayor, were seriously wounded as a result of a Shining Path attack today against a community in Junin Department, Central Peruvian mountain region.

Officials at Huancayo, capital of Junin Department, 315 km east of Lima have said that the attack was carried out in the community of "Juan Parra del Riego," in El Tambo metropolitan district, and that at the time of the attack Mayor Ricardo Bohorquez was heading a community meeting.

According to the official report the presumed members of the Shining Path group attacked the community meeting, throwing grenades and firing their guns at the people in the gathering.

According to police sources, Mayor Bohorquez received three bullet wounds and was taken to Huancayo Hospital where he is in a serious condition, although his life is not at risk. [passage omitted]

Terrorists Burn Buildings in Arequipa Town

PY2601014989 Buenos Aires TELAM in Spanish 2142 GMT 25 Jan 89

[Text] Lima, 25 Jan (TELAM-ANSA)—The pro-Maoist Shining Path terrorist organization perpetrated one of its most serious attacks in recent memory in the town of Andahua, located in the southern Arequipa Department. During this attack, the terrorists set most of the city's public buildings on fire. They failed, however, to bring local government officials before their "kangaroo court" because the officials were alerted and fled before the terrorists arrived.

Police authorities reported today in Lima that yesterday heavily-armed Shining Path terrorists overpowered Andahua residents and burned the offices of the telecommunications enterprise, the Agrarian Bank, the National Bank, and Health Ministry offices. Although the buildings were burned to the ground, no one was injured.

The terrorists attempted to bring the local authorities before a kangaroo court to implement what they call "people's justice." The public execution of these authorities in the presence of the people. The local authorities, however, had already fled.

Before leaving the city, the terrorists blocked and destroyed several segments of the road linking Andahua with Arequipa and other adjacent towns in order to prevent local residents from following them.

Police Narcotics Department Report Drug Seizures
PY2601155989 Lima Television Peruana in Spanish 0100 GMT 26 Jan 89

[Summary] Luis Sandoval, director of the police narcotics department, has reported that in 1988 police seized 8,144,983 kg of cocaine base; 73,327 kg of hydrochloride; and 213 kg of marijuana.

Uruguay

Dockworkers Sign Agreement With Argentina's CUT
PY2601022489 Buenos Aires TELAM in Spanish 2324 GMT 25 Jan 89

[Text] Buenos Aires, 25 Jan (TELAM)—By virtue of an agreement signed today by the Argentine General Confederation of Labor [CGT] and the Uruguayan PIT-CNT, Uruguayan dockworkers "will not load any type of merchandise on ships bound for the Malvinas Islands. They will do so only for humanitarian reasons or when human lives are in danger."

This agreement is included in a document signed today in Montevideo by CGT Secretary General Saul Ubaldini and PIT-CNT Secretary General Jose D'Elia.

In a communique, the CGT has announced that Ubaldini and the secretaries general of the Chilean and Uruguayan trade union organizations will hold a news conference tomorrow at 1700 in the CGT offices at 802 Azopardo to report on the agreements.

The British ferry "Indiana I" made its first trip from the Malvinas Islands to Montevideo and Punta Arenas 10 days ago. In Montevideo, Uruguayan dockworkers unloaded the ship but decided to boycott future ones. The Chilean dockworkers also decided to boycott the ship.

The document signed today provides for the creation of a consultative liaison committee "to strengthen and effectively defend the rights proclaimed herein." It adds that "protest measures will be adopted if repressive actions are taken against any of the union organizations in their respective countries."

The document adds that one protest measure will be "the immediate suspension of regular boat services for passengers between Uruguay and Argentina." The liaison committee will also be convened in no later than 24 hours to implement any other measures it deems appropriate to enforce this agreement.

The last point of the agreement states that the signatories "will outline the scope of this agreement to the three world trade union organizations and to regional union organizations."

U.S. Citizen Arrested for Drug Trafficking
PY2501140889 Buenos Aires CLARIN in Spanish 24 Jan 89 p 34

[Summary] Uruguayan police have arrested two Argentines and a U.S. citizen who live in Buenos Aires. The arrests came as the police raided a cocaine laboratory and seized 400 grams of cocaine as well as marijuana and LSD, which were going to be sold in Punta del Este. The police did not disclose the names of the arrested.

Venezuela

Perez To Announce 'Drastic' Economic Measures
PA2701012489 Madrid EFE in Spanish 0842 GMT 26 Jan 89

[Text] Caracas, 26 Jan (EFE)—During his inaugural speech on 2 February, Social Democrat Carlos Andres Perez, the Venezuelan president-elect, will announce drastic economic measures that will be implemented this year and in 1990. Sources close to Perez revealed that the measures are based on two documents drafted by Miguel Rodriguez, the incoming planning minister.

Rodriguez, a 35-year-old economist and the youngest member of the cabinet announced by Perez, has drafted, together with his ministry team, a master plan that will seek to improve the Venezuelan economy without increasing inflation.

One of the incoming minister's plans, entitled "Toward Renewed Noninflationary Growth in the Venezuela of the Nineties," contains the key points to be implemented. Among the most important are a foreign exchange standardization and a floating bolivar exchange rate to prevent imbalances with the dollar.

According to economic sources, this document was presented to the IMF in Washington Wednesday by a delegation made up of Rodriguez himself; Eglee Iturbe, the incoming finance minister; and Edgar Leal, who was appointed by Perez as the official foreign debt negotiator.

The report states that the official bolivar exchange rate (14.5 per dollar) would be reduced immediately by 20 percent and later be subject to "progressive adjustments" until it reaches its regular market value.

It also states that this measure would be complemented by maintaining a "floating exchange system" to prevent inflation "from pushing the bolivar's value above that of the currencies of countries with which Venezuela maintains commercial relations."

It calls for an easing of import restrictions and a profound reform of the tax system, to include taxing Venezuelans abroad, creating a tax on wealth and a value-added tax, and eliminating most exemptions granted to those in high-income brackets.

The plan also calls for an increase in public expenditures of 12-13 percent to ease recessionist trends that other measures might generate.

A second document, which was also presented by Rodriguez and entitled "A New Development Strategy," describes actions that will be implemented to turn the industrial sector into the cornerstone of economic development.

The report, which included input from experts from other ministries, points out that industry, including the oil industry, should be the center of the Venezuelan economy in the next few years.

The plan states that for this sector to reach its potential, its structural limitations must be overcome and it must gradually become more specialized, efficient, and competitive.

In this regard, he points out that it is necessary to develop intensive high-technology training programs and to incorporate this high techology into production and into the labor market.

The document states that economic support for these plans will come from a reform of the banking system to create investment in financial organizations, risk capital ventures, and a national guarantees fund.

It also stresses the urgent need to create a land tax with a progressive annual rate on idle urban land and a selective tax on the sale of luxury items.

It also calls for the promulgation of laws guaranteeing free competition, the rights of consumers, and the elimination of the current price regulation system.

Several of these measures have already been hinted at by Perez in recent statements, although it is believed that the actual extent of these measures will not be made known until his inaugural speech.

The new president, who is serving for the second time (he was president from 1974 to 1979), has already announced, for example, the easing of price restrictions, but he assured the public that some basic staples will continue to be subsidized.

He admitted that the economic policy that he will implement will bring about a significant increase in inflation but denied that it will reach 80 percent, as some economists have predicted.

Experts believe that Perez will enjoy the support of international financial organizations that, over the short term, would presumably be willing to grant loans for approximately $5 billion.

At any rate, Perez said in his first speech after being elected president, 1989 will be a "difficult" year during which the bases will be established to ensure that beginning in 1990, the Venezuelan people will begin to enjoy a gradually rising standard of living.

Government Increases Taxes on 'Luxury' Products

PA2101031189 Caracas EL UNIVERSAL in Spanish 11 Jan 89 p 1

[Summary] The Finance Ministry, through the Customs Directorate, has increased import taxes on 578 "luxury" commodities by 80 to 100 percent.

The list of articles affected by the measure includes some animals, like horses and dogs; "exotic" food products, such as olives, mushrooms, almonds, nuts, and cherries; as well as sporting goods, office supplies and equipment, audiovisual equipment, and watches, among other things.

Ministry Report on Foreign Debt Refinancing

PA2201131389 Caracas EL UNIVERSAL in Spanish 11 Jan 89 p 2-2

[Text] The Venezuelan foreign debt, including the refinanced and the nonrefinanced debts, totaled $25.556 billion as of 31 December 1988. Venezuela will ask its creditors to reschedule the payment of $20 billion of that debt; in other words, the Venezuelan Government will try to refinance 78.2 percent of its foreign debt.

According to Finance Ministry calculations, the Venezuelan foreign debt is composed of two large parts: 1. Directly contracted by the Venezuelan Government 2. Contracted by decentralized state institutions. Those two parts subdivide themselves into: 1. Foreign debt refinanced within the 1986 refinancing agreements 2. Nonrefinanced foreign debt—debts that do not follow the agreements signed with the creditors. The latter part of the debt begins to fall due this year and must be included in the new agreements.

Of the overall Venezuelan foreign debt, which totals $25.5 billion, Venezuela directly owes its creditor banks a total of $13.97 billion, of which $10.20 billion comes from the refinanced debt and $3.63 billion from the nonrefinanced debt.

The overall foreign debt contracted by the descentralized state organizations total $11.609 billion, of which $9.067 billion belongs to the refinanced debt and $2.54 billion to the nonrefinanced debt.

Of the overall Venezuelan foreign debt, which totals $25.55 billion, $19.37 billion is refinanced and $6.18 billion has not been refinanced.

The decentralized state organizations that contracted foreign debt are: The Industrial Bank of Venezuela, Subway of Caracas, Telephones of Venezuela, Caroni Electricity Company, Electric Energy of Venezuela (Enelven), Urban Development Funds, National Savings and Loan Bank, Orinoco Interlumina Iron and Steel Company, Aluminum of Venezuela (Venalum), Corpoindustria, People's Bank, Development Corporation of Venezuela, Military Industry of Venezuela, Ferrominera del Orinoco, Alcasa, Cadafe, and Fesilven.

All those institutions will be involved in the process of negotiations Venezuela is initiating with its creditor banks during the second phase of this cycle that began on 18 February 1983 [date as published] with the suspension of the payment of its foreign debt.

Congress Institutional Pact Nearing Completion

PA2201145989 Caracas Venezolana de Television Canal 8 in Spanish 0000 GMT 20 Jan 89

[Report by Angel Bustamante—recorded]

[Text] [Bustamante] After a very brief meeting, Gustavo Tarre Murzi, leader of the COPEI bloc in Congress, said the institutional pact with Democratic Action [AD] remains in full force and that his party intends to continue negotiating with the other political forces to work toward the integration of the congressional leadership.

[Tarre] COPEI is very satisfied that this occurred, because we think the Congress should be managed according to its political composition. Therefore, we are not just satisfied that AD and COPEI understand each other on leadership roles, but want to incorporate the other forces with broad representation in Congress.

[Bustamante] Carlos Canache Mata, leader of the AD bloc in Congress, reaffirmed the continuation of the pact and said he was pleased with the results of this meeting.

[Canache] We are completing the agreement on the designation of the leadership in both houses of Congress, all within the large framework of the institutional pact.

[Bustamante] It is expected that tomorrow, after a meeting among representatives of AD, COPEI, the Movement toward Socialism-Movement of the Revolutionary Left, and the New Generation, an agreement will emerge on the selection of the leaders in both houses of Congress.

President-Elect Andres Perez Visits Iraq

WA2701184589

For reportage on the visit to Iraq by a Venezuelan delegation led by President-elect Carlos Andres Perez, see the Iraq section of the 24 January Near East and South Asia DAILY REPORT.

Suriname

State Council Sworn In; 4 Nominations Missing

PM2301092589 Rotterdam NRC HANDELSBLAD in Dutch 11 Jan 89 p 7

[Unnamed "own correspondent" dispatch: "Council of State Sworn In; Trade Unions Still Disagreed Over Representation"]

[Text] Paramaribo, 11 Jan—Yesterday Surinamese President Shankar swore in 10 members of the Council of State. This means that the Council can now begin its work. The trade unions, the employers, and the PALU [Progressive Workers and Farm Laborers Union] opposition party have still not settled on representatives for inclusion in the Council of State.

The Council of State has the task of advising the government on legislation and of approving international agreements. In the short term the Council will have to evaluate the plan for Suriname's economic development in the next few years. On the basis of this plan Netherlands development aid (totaling 200 million guilders annually) will be resumed 1 May this year.

During the swearing-in ceremony President Shankar noted that, according to the law, he himself will have to appoint the four missing members of the Council of State if the organizations involved do not put forward any names shortly. For weeks now there has been disagreement among the five trade unions over the selection of two representatives. It is expected that the two employers' organizations will put the name of their one representative forward soon.

The left-wing PALU opposition party is still doubtful, because it has reservations about the composition of the Council, on which the government parties have a majority.

Lieutenant C. Mijnals was sworn in as the representative of the Military Authorities. Recently Army leader Bouterse declared that he would himself sit on the Council, but last Friday he said that he no longer intends to do so.

The Council of State has the power to suspend decisions by the government and lower-ranking bodies. The Council is not answerable to the National Assembly.

Minister Concerned About Lack of Union Unity

FL2301194689 Paramaribo International Service in English 1730 GMT 23 Jan 89

[Text] Labor Minister Romeo Van Russell is concerned about what he calls the lack of unity in the trade union movement. Van Russell spoke last Friday at the congress to commemorate the 38th anniversary of the Moederbond Trade Union Federation.

According to the minister, [words indistinct] due to problems within the trade union movement. It seems as if they don't want to bear full responsibility, said the minister, who himself comes from the rank of the Moederbond.

The Ministry of Labor will in its policy give priority to the creation of jobs. Van Russell says that participation by the business sector and the trade union movement is expected. The ministry will also supervise the honoring of labor rules and labor relations between employers and employees.

The quality of the staff at the ministry will be enhanced through international courses, according to Van Russell last Friday at the Moederbond congress.

Urges Participation in Politics

FL2301214189 Paramaribo International Service in English 1730 GMT 23 Jan 89

[Text] The government needs to take certain meausures for the reconstruction of our economy. The Moederbond Trade Union Federation wants to [words indistinct] in a spirit of [words indistinct]. This was stated last Friday by Moederbond Chairman Van Russell.

He spoke on the occasion of the 38th anniversary of the Moederbond. According to Van Russell, participation in national politics was necessary to improve the situation of the working class. [passage indistinct] a cooperation relationship between the Moederbond and the National Party of Suriname, said the Moederbond chairman. He called on the other trade union federations to put aside their differences for the benefit of the nation.

During the congress of the Moederbond last Friday, a number of trade union members were decorated. The second meeting was concluded with a lecture by [name indistinct] of the people.

Union Movement Objects to State Council Law

FL2001031589 Paramaribo International Service in English 1730 GMT 19 Jan 89

[Text] The joint trade union movement has made its objections against the law on the State Council known in a letter to President Shankar. The trade union movement said that the law seriously handicaps the proper functioning of the State Council.

The Moederbond, the CLO [Central Organization for Civil Service Employees], the C-47, and the PWO [Progressive Workers' Organization] trade union federations said that due to this, the democratic participation in this high organ is not honored in accordance with the Constitution.

The standpoint of the trade union movement was formulated yesterday after nearly a week of discussions among the four trade union federations.

Agreement hasn't been reached within the trade union movement but among others, the fact that the government coalition has eight seats in the State Council. [sentence as heard] Through this, the coalition can make decisions without the support of the other participants.

The trade union movement is in favor of the consensus model. The joint trade union movement, which according to the law must appoint two representatives to the State Council, says in its letter to the president that it wants to live up to its constitutional duty. The trade union movement states that their participation in the State Council depends, among other things, on the answer by the president.

Meeting Marks Shankar's 1st Year in Office

FL2601221989 Paramaribo International Service in English 1730 GMT 26 Jan 89

[Text] Vice President Henck Arron is of the opinion that 1 year is too short to properly judge the work of the government of the Front for Democracy and Development. According to the vice president, the work should be judged in relation to the government declaration which has to be carried out in 5 years.

The politician made this statement at a meeting which the president and three front leaders had with the press. The meeting in the Presidential Palace was called to commemorate the 1st year since President Ramsewak Shankar was sworn in. The president as well as the front leaders expressed satisfaction with their achievements during the 1st year. They stated that the problems are known now and an effort will be made to solve them.

Shankar Decorates South Korean Ambassador

FL2601223089 Paramaribo International Service in English 1730 GMT 26 Jan 89

[Text] The president of the Republic of Suriname has on Tuesday last decorated the South Korean ambassador to Suriname, Choe Kong-chun, with the honorary Order of the Palm. Ambassador Choe Kong-chun will soon leave Suriname. He has been the South Korean diplomatic representative to our country for 3 years. In a speech during the ceremony, President Ramsewak Shankar talked about the many things which the ambassador has done to strengthen the relation between Suriname and South Korea. The ceremony was attended by, among others, Vice President Henck Arron, the minister of foreign affairs, and a team of the diplomatic corps.

Tribal Chief Aboikoni Dies 18 Jan

FL2001221289 Paramaribo International Service in English 1730 GMT 20 Jan 89

[Text] Tribal chief of the (Saramancana), Aboikoni, has died last Wednesday at age of 98. The tribal chief was born on the 31 August 1890 and was appointed tribal chief of the (Saramancana) Tribe on the 6 April 1951.

It is still not clear who will take over from the late tribal chief Aboikoni. It is (?customary) that the son of the eldest sister of the deceased will take over.